



Dave Yost • Auditor of State

CITY OF WAPAKONETA
AUGLAIZE COUNTY
DECEMBER 31, 2016

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Wapakoneta
Auglaize County
701 Parlette Court
Wapakoneta, Ohio 45895

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2017, wherein we noted the City restated the December 31, 2015 net position of the Governmental Activities and Business-Type Activities; the fund balance of the General Fund, and the net position of the Electric, Water, Sewer, Storm Sewer, and Refuse funds.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. We consider findings 2016-001 and 2016-002 described in the accompanying schedule of findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2016-003 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2016-001 through 2016-003.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

June 28, 2017

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2016-001

Material Weakness / Noncompliance Citation

Ohio Rev. Code § 5727.81(A) states, in part, for the purpose of raising revenue to fund the needs of this state and its local governments, an excise tax is hereby levied and imposed on an electric distribution company for all electricity distributed by such company through a meter of an end user in this state.

Ohio Rev. Code § 5727.81(C)(2) states, in part, payment of the tax shall be made directly to the tax commissioner or the treasurer of state. If the electric distribution company serving the self-assessing purchaser is a municipal electric utility and the purchaser is within the municipal corporation's corporate limits, payment shall be made to such municipal corporation's general fund.

City of Wapakoneta Ordinance No. 2014-23 effective September 8, 2014 states, in part, the City Council now desires to retain in the General Fund all of the kilowatt-hour (KWH) tax funds attributed to deliveries to customers located inside the City's corporation limits in the General Fund.

In 2015, the City collected \$778,454 of inside and outside KWH tax in the Electric Fund. The City allocated \$725,770 of inside KWH tax from the Electric Fund to the General Fund which left a balance of \$52,684 of outside KWH tax that was remitted to the State of Ohio. The \$725,770 was allocated recording negative receipts of \$366,643, \$155,499, \$176,402 and \$27,226 in the Electric Fund KWH tax line item and a corresponding receipt in the General Fund KWH tax line item.

The City also recorded a negative transfer in – KWH tax in the Electric Fund of \$203,628 and a corresponding receipt in the General Fund Tax KWH tax line item. The \$203,628 had already been moved to the General Fund KWH tax with receipt #R1510821 in the amount of \$176,402 dated 11/1/2015 and receipt #R1512169 in the amount of \$27,226 dated 12/31/2015. As a result the Electric Fund balance was understated and the General Fund balance was overstated by the amount of \$203,628. During the 2015 conversion from cash statements to generally accepted accounting principles (GAAP), the \$203,628 transaction was reclassified from transfer in - KWH tax to contractual services.

The City did not make the necessary adjustments to its accounting records to correct this error from 2015.

In 2016, the City collected \$761,272 of inside and outside KWH tax and recorded \$731,598 in the General Fund and \$29,674 in the Electric Fund. The City remitted \$60,067 of outside KWH tax to the State of Ohio from the Electric Fund, even though only \$29,674 of the KWH tax collected was recorded in the Electric Fund. The other \$30,393 should have been remitted from the General Fund. As a result, the Electric Fund balance was understated and the General Fund balance was overstated by the amount of \$30,393.

The total 2015 and 2016 errors resulted in the Electric Fund balance being understated by \$234,021 and the General Fund balance being overstated by \$234,021, which is 7.65% and 19.39% respectively, of the December 31, 2016 cash fund balances.

The accounting records have been adjusted to correct these errors. The accompanying financial statements have been adjusted to correct the carryover error in the amount of \$203,628 from 2015. The unadjusted error in the amount of \$30,393 from 2016 was not adjusted in the accompanying financial statements. This amount will remain on the summary of unadjusted differences form and will carry forward to the 2017 financial statements.

**FINDING NUMBER 2016-001
(Continued)**

A procedure(s) and/or control(s) should be developed, such as maintaining documentation on the kilowatt- tax collections and allocations, to help prevent these errors. The Finance Committee should periodically review this documentation to detect errors in a timely manner.

OFFICIALS' RESPONSE:

This has been addressed and should now be correct. The only funds going to electric are the out of town customers to which we pay the state the kwh tax.

FINDING NUMBER 2016-002

Material Weakness / Noncompliance Citation

Ohio Rev. Code § 5705.15 states, in part, that in addition to transfers authorized by section 5705.14, the taxing authority of any political subdivision may, in the manner provided in this section and in section 5705.16, transfer from one fund to another any [sic] public funds under its supervision. Ohio Rev. Code § 5705.16 provides for transfer of funds authorized by section 5705.15 by passing a resolution from a majority of the board and obtaining the approval of the Tax Commissioner and the Court of Common Pleas of the county. The City transferred \$260,000 from the Enterprise Electric Fund 620 to the Capital Projects Street and Sewer Improvement Fund 4301. The City did not obtain approval of the Tax Commissioner and Court of Common Pleas for the transfer. The transfer was made to provide funds for a grant project which were to be reimbursed by the grantor agency. The City's intention was for the \$260,000 transfer to be a temporary advance to be repaid to the Electric Fund when the grantor agency reimbursed the grant expenditures. However, per Auditor of State Bulletin 97-003, this transaction would not be allowable as an advance because in order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established.

The transfer was eliminated on the 2016 financial statements by reporting an inter-fund payable in the Governmental Street and Sewer Improvement Fund and an inter-fund receivable in the Enterprise Electric Fund. However, the transfer still existed in the cash basis accounting records.

The accounting records have been adjusted to transfer this money from the Capital Projects Street and Sewer Improvement Fund 4301 back to the Enterprise Electric Fund 620 and the accompanying financial statements have been adjusted to remove the inter-fund payable and inter-fund receivable.

The City should implement a control(s) and/or procedure(s), such as reviewing the Ohio Revised Code and Auditor of State Bulletins to help ensure that transfers and advances are legal.

OFFICIALS' RESPONSE:

Funds have been paid back to the Electric Fund.

FINDING NUMBER 2016-003

Significant Deficiency / Noncompliance Citation – Allocation of Wages to Funds

City of Wapakoneta Codified Ordinance, Section 242.03 states the general duties of the Director, are as follows:

(a) Public Service Duties

- 1) The Director of Public Service and Safety shall manage and supervise all public works and undertakings of the City, except as otherwise provided by law.
- 2) The Director shall supervise the improvement and repair of streets, avenues, alleys, lands, lanes, squares, wharves, docks, landings, market houses, bridges, viaducts, aqueducts, sidewalks, playgrounds, sewers, drains, ditches, culverts, ship channels, streams and watercourses, the lighting, sprinkling and cleaning of public places and the construction of public improvements and public works, except as otherwise provided by law.
- 3) The Director shall manage Municipal water, lighting, heating, power, garbage and other undertakings of the City, and parks, baths, playgrounds, market houses, cemeteries, crematories, sewage disposal plants and farms, and shall make and preserve surveys, maps, plans, drawings and estimates. He or she shall supervise the construction and have charge of the maintenance of public buildings and other property of the City not otherwise provided for in these Codified Ordinances. He or she shall have the management of all other matters provided by the Council in connection with the public service of the City.
- 4) The Director shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts.

(b) Public Safety Duties

Under the Mayor's direction, the Director shall be the executive head of the Police and Fire Departments. He or she shall have all powers and duties connected with an incident to the appointment, regulation and government of these Departments, except as otherwise provided by law. He or she shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts. Such Director shall make all contracts in the name of the City with reference to the management of such Departments, for the erection or repair of all buildings or improvements in connection therewith, and for the purchase of all supplies necessary for such Departments.

City of Wapakoneta Position Description for Clerk II position which reports to the Office Manager states, in part,

Essential Functions of the Position:

- 1) Receives income tax payments; receives payments from utility customers either in-person or by mail; processes payments (i.e., posts payments to accounts via computer, balances receipts against stubs, makes deposits to bank).
- 2) Prepares invoices and collects receipts from ambulance runs, landfill sales, miscellaneous bills, etc.; posts receipts and invoices; prepares journals;
- 3) Handles inquiries from general public regarding taxes, rates, bills, etc.; registers and writes work orders for new customers and transfers; receives deposits; computes budget billing amounts.

Other Duties and Responsibilities:

- 1) Performs duties of secretary on an assigned basis; prepares purchase orders; prepares vendor invoices for payment; maintains vendor file; acts as liaison between vendors and City.

**FINDING NUMBER 2016-003
(Continued)**

In 2016, the Safety Service Director wages were allocated 100% to the Electric Fund. Wages for two of the Clerk II employees were allocated to the funds as follows: 55% Electric, 15% Water, 15% Sewer, and 15% Refuse. A third Clerk II wages were allocated 100% to the General Fund. The fourth Clerk II wages were allocated to the following funds: 25% Electric, 25% Water, 25% Sewer, and 25% Refuse.

This finding was also reported in 2015 and 2014 with the following allocations identified:

In 2015, the Safety Service Director wages were allocated among the funds as follows: 4% General, 73% Electric, 8% Water, 8% Sewer, and 7% Refuse. Wages for two of the Clerk II employees were allocated to the funds as follows: 55% Electric, 15% Water, 15% Sewer, and 15% Refuse. A third Clerk II wages were allocated to: 25% Street, 50% Refuse, and 25% Electric fund. The fourth Clerk II wages were allocated to the following funds: 25% Electric, 25% Water, 25% Sewer, and 25% Refuse.

In 2014, the City allocated the wages of the Director of Public Service and Safety as follows: 5% to the General Fund; 65% to the Electric Fund; 10% to the Water Fund; 10% to the Sewer Fund; and 10% to the Refuse Fund. The wages of the Clerk I Employee were allocated as follows: 25% to the Street Fund; 25% to the Electric Fund; and 50% to the Refuse Fund.

The wages of the Clerk II employee were allocated as follows: 25% to the Electric Fund; 25% to the Water Fund; 25% to the Sewer Fund; and 25% to the Refuse Fund. The actual allocation of the wages for these employees appears to be inconsistent with the duties and job descriptions.

Documentation was not maintained by the City to support the allocation of wages to each fund in 2016, 2015, or 2014.

The actual allocation of the wages for these employees appears to be inconsistent with the duties and job descriptions. The failure to allocate wages in proportion to the actual work performed could result in the illegal expenditure of restricted money and the material misstatement of the financial statements.

Starting January 1, 2017, a Memo was drafted assigning pay codes/funds to all positions within the City. For the Safety Service Director the Memo allocates wages 30% electric supervisor, 20% police supervisor, 20% fire supervisor, 10% water supervisor, 5% street supervisor, 5% engineering supervisor, 5% wastewater supervisor, and 5% refuse supervisor. The Memo allocates the Clerk II positions to 35% electric non supervisor, 30% wastewater non supervisor, 20% water non supervisor, 5% police non supervisor, 5% fire non supervisor, 3% refuse non supervisor, 1% engineering non supervisor, and 1% street maintenance non supervisor.

The Finance Committee should monitor the actual wages paid to the pay code/fund allocations approved in the Memo. Variances should be investigated. Also, the City should periodically review the job descriptions for all employees to determine if the pay code/fund allocations are appropriate. In addition, the City should consider reviewing the payroll allocations used for the Safety Service Director and Clerk II positions in 2014, 2015, and 2016 to determine if funds with restricted money were charged an improper amount of money and should result in fund adjustments.

OFFICIALS' RESPONSE:

This has been an issue for a few years but as of January 1, 2017 the payroll system has been adjusted and the Safety Service Director wages are being allocated as per above percents.

CITY OF WAPAKONETA
AUGLAIZE COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Significant Deficiency/Noncompliance Citation – Allocation of Wages to Funds - City of Wapakoneta Codified Ordinance, Sections 242.03(a) & (b), City of Wapakoneta Position Description for Clerk II – the allocation of wages to funds for these positions did not seem reasonable based on the job descriptions.	Finding not corrected	Repeated as Finding 2016-003

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CITY OF WAPAKONETA, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2016

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**INTRODUCTORY
SECTION**

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CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2016

Prepared By:

City Auditor

WILBUR WELLS

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CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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June 28, 2017

Citizens of Wapakoneta
The Honorable Mayor
and Members of City Council
City of Wapakoneta, Ohio

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2016. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the City to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

PROFILE OF THE CITY

The City of Wapakoneta, the county seat of Auglaize County, is located on the banks of the Auglaize River in west central Ohio. It is approximately fifteen miles southwest of Lima, fifty-five miles north of Dayton, and ninety miles northwest of Columbus. Interstate 75, a major north south highway, and U.S. 33, an equally important east west route, intersect at the southeast corner of the City. Four major highway interchanges are located within two miles of this intersection. Over twelve million non-commuters pass through Wapakoneta each year. Wapakoneta comprises five and one-third square miles and is located eight hundred ninety-five feet above sea level. Two-thirds of the nation's population and almost 70 percent of the nation's purchasing power are located within six hundred miles of Wapakoneta.



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701 Parlette Court

Operating under the Council/Mayor form of government, the citizens of Wapakoneta elect eight members of council (including the president, three council members-at-large, and four ward council members), a mayor, auditor, treasurer, and law director. “It is the mission of Wapakoneta City government to provide for and promote the general health, safety, and welfare of all residents of the City by delivering services in a professional, impartial, and cost-effective manner and planning for the long-range development and improvement of the City with an awareness of all the City’s collective needs”.

The City’s service responsibilities are administered by a number of different divisions and accounting entities, including police, fire, emergency medical, street maintenance, parks and recreation, engineering (including planning and zoning), electric, water, sewer, storm sewer, and refuse (including recycling), and various support staff, as well as a waste minimization committee and the tree commission. These divisions form the primary administrative unit of the City, responsible to City Council and the Mayor.

All funds, except agency funds, are required to be budgeted and appropriated. The legal level of control has been established by City Council at the fund, department, and object level for all funds. City Council is required to adopt an original budget no later than April 1 of the reporting year. This annual budget serves as the foundation for the City of Wapakoneta’s financial planning and control.

LOCAL ECONOMY

The City, incorporated in 1848, has been situated as a hub for commerce beginning with its history in 1780 as the capital of the Shawnee Native American Nation led by such recognized leaders as Tecumseh, Blue Jacket, and Blackhoof. Through rail service, the City became a center for shipping grain throughout the country. At present, the City of Wapakoneta is highly aggressive in drawing commerce to the area and maintaining many small and mid-sized industries, retail establishments, and antique dealers.

Industrial tool and die companies and machine shops have been a part of Wapakoneta history. In addition, several general contractors are located in the area, as well as food processing plants, and several firms specializing in furniture and decorating. With recycling being a high priority nationwide, Wapakoneta has two industries dedicated to recycling. There are nine industrial/commercial park sites in Wapakoneta alone. The City is committed to the continual rise and revitalization of existing resources while always on the lookout for new ways to improve the economy and community.

The City has a sizable Community Development Block Grant portfolio and currently has five loans which pay the City the original principal loaned and interest. Interest earned from these loans gives the City a wonderful opportunity for reinvestment in the City as well as an investment in keeping the citizens of Wapakoneta working. The City has made many loans over the years and as these loans are repaid, the size of the fund grows.

The City of Wapakoneta received one of Ohio’s first “Job Ready Sites” grants in January 2007 to develop a 471-acre manufacturing site at the intersection of Interstate I-75 and U.S. 33. This site is designated as the West Central Ohio Industrial Center. The infrastructure projects included extension of sanitary sewer and 69kv electric lines to the site and construction of a railroad spur from the CSX Mainline Rail onto the site. This site is certified under the Ohio Department of Development’s certification standards. In 2012, the City completed the entire infrastructure which expands the usefulness of all the sites. This includes industrial width roadways for the industrial park making it truly shovel ready and being marketed around the world. The West Central Ohio Industrial Center has become one of Ohio’s first, and largest, certified green field manufacturing sites. It will put Wapakoneta in the lead of economic development and promotion of our community.

The City hosts many and varied retail and professional businesses, which are of an outstanding quality and demonstrate a commitment to the community. The “downtown” area is comprised of many specialty shops; antiques, toys, flowers, books, furniture, and crafts to name a few. With the renovation of our downtown, many offices and apartments round out the tree-lined streets.

The City addresses local issues, enhances economic development, provides optimism, and anticipates potential for its citizens in an effort to keep our future on a path for growth.

LONG-TERM FINANCIAL PLANNING

Unappropriated General Fund monies carry forward at the end of the year. It has been the tradition for the City to try to use excess monies for reconstruction of streets and the purchase of capital assets such as fire trucks, ambulances, and police cruisers. With the recent increases in insurance rates, gasoline prices, natural gas prices, and utility rates, City Council is carefully trying to balance the finances to cover these increases and not forego needed assets and wage increases.

While tradeoffs are sometimes necessary, it is the goal of City Council to limit spending to areas which are essential and will not compromise the services of the City.

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2016, the available funds were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

There are no statutory requirements or policies on which City Council is to rely to determine the amount of fund balance they want to carry forward from year to year. It has been the tradition of this City to try to appropriate everything necessary to operate an efficient and effective government and provide all necessary services from administration to fire, police, emergency medical, and income tax departments.

These goals and traditions for budgeting and spending are carried forward to every fund the City has and every department the City operates. While some things cannot be predicted, City Council and management all work closely together to determine what each department’s challenges and needs are each year and what each department will need looking forward.

RELEVANT FINANCIAL POLICIES

It is the City’s policy to ensure that current year revenues are sufficient to fund current year expenditures without the use of non-recurring revenues. Appropriations are set based upon available revenues with the City Council determining the level of funding for each department within the City.

The City Auditor manages the investments of the City’s funds by adhering to the Investment Policy that has been approved by the City Council. Any financial institution that holds City funds must adhere to the requirements of the policy. This policy details the objectives and rules for the safekeeping of the City funds.

The goal of the capital asset inventory system and policy is to provide control and accountability over the City’s capital assets and to assist departments in gathering and maintaining information needed for the preparation of the annual financial statements. The City recognizes the importance of preserving the community’s capital assets and to ensure that future needs are met.

MAJOR INITIATIVES

A Community Development Block Grant was awarded to the City for Gibb Street. The Gibb's Street reconstruction project included storm sewer, sanitary sewer, water main, laterals, fire hydrants, curb and gutter, signage, light poles, sidewalks, and asphalt paving. The total project cost was \$607,070; \$29,000 from the CDBG grant, \$450,000 from revolving loan resources, and \$128,070 from the City. This project is an improvement for the community and for the residents on Gibb Street.

Nuss Road/Progress Drive was a street extension construction project to provide access for Golden Fresh Food. The project consisted of curb, gutter, asphalt, waterline, sanitary sewer, and storm sewer. The total project cost was \$378,726, an Ohio Department of Transportation economic grant was obtained, in the amount of \$128,767, and an Ohio Department of Transportation roadway grant was also obtained in the amount \$249,979. The roadway allows access to the north side of the Golden Fresh Food development greenhouse and to the residential facilities.

The Pearl Street paving project was completed in 2016, along with replacement of catch basins. Curb and gutters were replaced in areas where they had deteriorated. The roadway was paved from Blackhoof Street to West Auglaize Street. The cost of the project was \$147,829.

The street reconstruction portion of West Auglaize Street from Blackhoof Street to Pearl Street was completed in 2015, with the exception of trees and landscaping in the curb lawn which was finalized in the fall of 2016.

An annual reclamite program was performed in 2016. Reclamite is an asphalt rejuvenator which promotes and extends the life of the existing asphalt surface. Six streets were treated with the project cost of \$29,432. This is an investment in extending the surface life of our streets. The project was funded with City resources.

Construction began on the Breakfast Optimist Park restrooms in 2016 and will be completed in 2017. The restrooms will also have a storage area on the east end of the building.

The City of sent out approximately one hundred (letters) notifications of deficient sidewalks in 2016. Inspection and documentation was performed on all properties.

During 2016, the engineering department issued 246 permits for commercial remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, and patios.

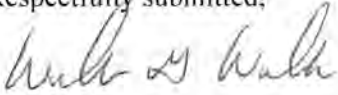
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2015. This was the twenty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is extended to the Mayor and the Director of Public Service and Safety for their support and to City Council for appropriating the funds for this project. This Comprehensive Annual Financial Report was prepared by the City Auditor's Office with the efficient and dedicated services of the entire staff. Appreciation is also extended to all department personnel. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for guidance in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Wilbur Wells".

Wilbur Wells
City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

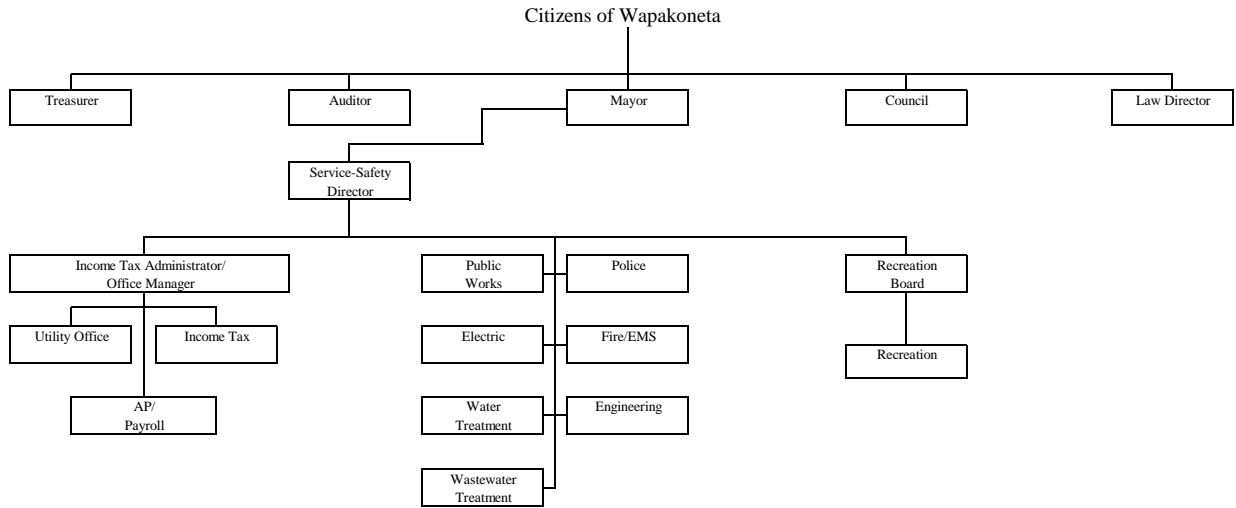
City of Wapakoneta
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Wapakoneta Organizational Chart



CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS

Mayor	Thomas A. Stinebaugh
Director of Public Service and Safety	Chad A. Scott
Income Tax Administrator/Office Manager	Diana L. Blackburn
Police Chief	Russel Hunlock
Fire Chief/EMS Director	Anthony L. Stinebaugh
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	William R. Thomas
Electric Superintendent	Levi J. Cecil
Water Superintendent	Brent J. Hamel
Wastewater Superintendent	Robert T. Burns
Engineering Superintendent	Mary A. Ruck
Auditor	Wilbur Wells
Treasurer	Barbara Steinke
Law Director	Dennis P. Faller
President of Council	Stephen E. Henderson
Member of Council	Daniel C. Graf
Member of Council	Daniel Lee
Member of Council	Bonnie C. Wurst
Member of Council	James R. Neumeier
Member of Council	Chad Doll
Member of Council	Rachel Barber
Member of Council	Randy L. Fisher
Council Clerk	Terry McDonald
Civil Service Secretary	Peter Noyes

**FINANCIAL
SECTION**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Wapakoneta
Auglaize County
701 Parlette Court
Wapakoneta, Ohio 45895

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

www.ohioauditor.gov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wapakoneta, Auglaize County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the City restated the December 31, 2015 net position of the Governmental Activities and Business-Type Activities; the fund balance of the General Fund, and the net position of the Electric, Water, Sewer, Storm Sewer, and Refuse funds. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 28, 2017

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CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2016 are as follows:

In total, the City's net position increased \$1,272,836, or approximately 2 percent. Governmental activities had a decrease in net position of \$748,950 (3 percent) and business-type activities had an increase in net position of \$2,021,786 (almost 5 percent).

A review of the enterprise funds reflects an operating income for every enterprise fund for 2016. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle. The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities. Water, sewer, and refuse rates increased in 2016.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Wapakoneta's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Street and Sewer Improvement, Electric, Water, Sewer, Storm Sewer, and Refuse funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2016. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, electric, water, sewer, and storm sewer lines). These factors must be considered when assessing the overall health of the City.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here including security of persons and property, public health, leisure time activities, community environment, transportation, and general government. These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, sewer, storm sewer, and refuse services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General, Street and Sewer Improvement, Electric, Water, Sewer, Storm Sewer, and Refuse funds. While the City uses many funds to account for its financial transactions, these are the most significant.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and change in fund balance for the major funds, which were identified earlier. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF WAPAKONETA
 Management's Discussion and Analysis
 For the Year Ended December 31, 2016
 (Unaudited)

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements and use the accrual basis of accounting. The City uses enterprise funds to account for electric, water, sewer, storm sewer, and refuse operations. Internal service funds are an accounting device used to accumulate and allocate internal costs among other programs and activities. The internal service fund used by the City accounts for engineering services that are provided to other departments of the City or to other governmental units. Monthly fees are paid on an hourly scale and any balance on hand is held until used.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2016 and 2015.

Table 1
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Assets</u>						
Current and Other Assets	\$5,935,328	\$6,140,657	\$16,144,775	\$14,572,819	\$22,080,103	\$20,713,476
Capital Assets, Net	21,571,989	21,975,249	60,589,691	60,395,338	82,161,680	82,370,587
Total Assets	27,507,317	28,115,906	76,734,466	74,968,157	104,241,783	103,084,063
<u>Deferred Outflows of Resources</u>						
Pension	1,894,534	719,484	1,046,000	325,108	2,940,534	1,044,592

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Liabilities</u>						
Current and Other Liabilities	\$484,938	\$820,190	\$1,996,834	\$1,946,719	\$2,481,772	\$2,766,909
Long-Term Liabilities						
Pension	6,865,574	5,229,577	2,636,799	1,831,995	9,502,373	7,061,572
Other Amounts	487,350	548,221	27,239,972	27,683,812	27,727,322	28,232,033
Total Liabilities	7,837,862	6,597,988	31,873,605	31,462,526	39,711,467	38,060,514
<u>Deferred Inflows of Resources</u>						
Pension	41,710	16,580	86,520	32,184	128,230	48,764
Other Amounts	518,480	468,073	0	0	518,480	468,073
Total Deferred Inflows of Resources	560,190	484,653	86,520	32,184	646,710	516,837
<u>Net Position</u>						
Net Investment in Capital Assets	21,571,664	21,944,652	35,104,589	34,580,463	56,676,253	56,525,115
Restricted	1,438,740	1,547,218	1,255,353	1,254,595	2,694,093	2,801,813
Unrestricted (Deficit)	(2,006,605)	(1,739,121)	9,460,399	7,963,497	7,453,794	6,224,376
Total Net Position	\$21,003,799	\$21,752,749	\$45,820,341	\$43,798,555	\$66,824,140	\$65,551,304

The net pension liability reported by the City at December 31, 2016, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 requires the net pension liability to equal the City's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred outflows/inflows.

Pension related changes noted in the above table for both governmental and business-type activities reflect a significant increase in deferred outflows due to an increase in the difference between projected and actual earnings on investments related to the net pension liability. The increase in the net pension liability represents the City's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

The only other changes of any significance for governmental activities are the decreases in current and other liabilities and other long-term obligations. At the end of 2015, the City had a number of outstanding obligations related to contracts and retainage for the West Auglaize Street project. The decrease in other long-term obligations is scheduled debt retirement.

The only change of note for business-type activities was the increase in current and other assets and the corresponding increase in unrestricted net position. As indicated earlier, all of the enterprise funds had an operating income for 2016 and the Water, Sewer, and Refuse funds had rate increases. These factors contributed to additional cash on hand as of year end. In addition, there was an increase in accounts receivable as of year end, generally due to the timing of the billing cycle.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 2 reflects the change in net position for 2016 and 2015.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$1,207,666	\$911,300	\$22,959,411	\$21,444,602	\$24,167,077	\$22,355,902
Operating Grants, Contributions, and Interest	659,296	541,534	0	0	659,296	541,534
Capital Grants and Contributions	410,366	1,537,762	0	0	410,366	1,537,762
Total Program Revenues	2,277,328	2,990,596	22,959,411	21,444,602	25,236,739	24,435,198
General Revenues						
Property Taxes-General Purposes	372,286	369,966	0	0	372,286	369,966
Property Taxes-Recreation	99,006	97,698	0	0	99,006	97,698
Municipal Income Taxes	2,605,349	2,645,764	0	0	2,605,349	2,645,764
Other Local Taxes	822,341	877,632	0	0	822,341	877,632
Grants and Entitlements	255,631	256,699	0	0	255,631	256,699
Franchise Taxes	119,516	79,168	0	0	119,516	79,168
Interest	53,915	10,215	1,088	564	55,003	10,779
Gifts and Donations	17,893	57,483	0	0	17,893	57,483
Other	59,600	73,657	166,376	65,294	225,976	138,951
Total General Revenues	4,405,537	4,468,282	167,464	65,858	4,573,001	4,534,140
Total Revenues	6,682,865	7,458,878	23,126,875	21,510,460	29,809,740	28,969,338
<u>Program Expenses</u>						
Security of Persons and Property						
Police	1,922,596	1,760,195	0	0	1,922,596	1,760,195
Fire	1,917,941	1,616,058	0	0	1,917,941	1,616,058
Other	0	2,833	0	0	0	2,833
Public Health	175,745	193,759	0	0	175,745	193,759
Leisure Time Activities	484,211	431,140	0	0	484,211	431,140
Community Environment	131,753	91,948	0	0	131,753	91,948
Transportation	1,861,607	1,341,215	0	0	1,861,607	1,341,215
General Government	594,651	541,709	0	0	594,651	541,709
Interest and Fiscal Charges	6,508	10,379	0	0	6,508	10,379
Electric	0	0	15,693,356	16,139,240	15,693,356	16,139,240
Water	0	0	1,950,485	2,215,944	1,950,485	2,215,944
Sewer	0	0	2,528,933	2,666,829	2,528,933	2,666,829
Storm Sewer	0	0	123,464	221,359	123,464	221,359
Refuse	0	0	1,145,654	963,583	1,145,654	963,583
Total Expenses	7,095,012	5,989,236	21,441,892	22,206,955	28,536,904	28,196,191

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Increase (Decrease) in Net Position Before Transfers	(\$412,147)	\$1,469,642	\$1,684,983	(\$696,495)	\$1,272,836	\$773,147
Transfers	(336,803)	(1,442,072)	336,803	1,442,072	0	0
Increase (Decrease) in Net Position	(748,950)	27,570	2,021,786	745,577	1,272,836	773,147
Net Position Beginning of Year	21,752,749	21,725,179	43,798,555	43,052,978	65,551,304	64,778,157
Net Position End of Year	\$21,003,799	\$21,752,749	\$45,820,341	\$43,798,555	\$66,824,140	\$65,551,304

For governmental activities, there was an overall decrease in program revenues; however, there was an increase in charges for services primarily due to an increase in ambulance runs/fees and revenues received from providing a school resource officer to the local school district. The substantial decrease in capital grants and contributions was due to resources received in the prior year for street reconstruction (small cities grant for the West Auglaize Street reconstruction). General revenues were fairly similar to the prior year. Some of the increase in expenses for governmental activities can be attributed to personnel related costs (salaries and benefits costs) and there was a sizable increase in the transportation program due to the purchase of noncapitalized assets.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. A portion of the increase in charges for services is due to rate increases for water, sewer, and refuse services. In addition, charges for services revenue is based on consumer usage and fluctuates as usage fluctuates. Overall, expenses for business-type activities decreased 3 percent. The decrease in the Electric Fund is generally related to a replenishment of materials and supplies in the prior year which increased costs---this was also true for the Storm Sewer Fund.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Security of Persons and Property				
Police	\$1,922,596	\$1,683,537	\$1,864,708	\$1,673,907
Fire	1,917,941	1,616,058	1,850,389	1,543,403
Other	0	2,833	0	2,833
Public Health	175,745	196,477	(538,875)	(280,229)
Leisure Time Activities	484,211	431,140	214,493	189,408
Community Environment	131,753	91,948	122,815	79,343
Transportation	1,861,607	1,341,215	723,238	(818,449)
General Government	594,651	539,899	574,408	522,295
Interest and Fiscal Charges	6,508	10,379	6,508	10,379
Total Expenses	<u>\$7,095,012</u>	<u>\$5,913,486</u>	<u>\$4,817,684</u>	<u>\$2,922,890</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily municipal income taxes, other local taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including the public health, leisure time activities, and transportation programs. Public health expenses are primarily funded by EMS and ambulance charges received during the year. The leisure time activities program is funded from gifts and donations as well as usage fees for the swimming pool. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating monies in the form of State levied motor vehicle license fees and gas taxes.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. Resources in the General Fund have no limitations on their use while the resources of the Street and Sewer Improvement Fund are limited to infrastructure improvements.

The General Fund reflects an increase in fund balance of approximately 8 percent despite little change in revenues and a 5 percent increase in expenditures. There was almost no change in revenues from the prior year; increased approximately \$16,000. For expenditures, most programs had modest increases--- nothing stands out as significant.

There was an increase in fund balance in the Street and Sewer Improvement capital projects fund as there were significantly fewer projects undertaken in 2016.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, Sewer, Storm Sewer, and Refuse funds. Resources of these funds are limited to the provision of electric, water, sewer, storm sewer, and refuse collection services, as applicable.

The Electric Fund had an operating income and a 2 percent increase in net position, this was not a significant change.

The Water Fund also had an operating income and a 2 percent increase in net position. Revenues increased slightly (rate increase) and expenses decreased slightly.

Net position increased nearly 11 percent in the Sewer Fund. Rate increases contributed to an increase in revenues and, with the exception of a decrease in depreciation expense, most other expenses were comparable to the prior year.

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The Storm Sewer fund had a modest operating income and net position for 2016.

The City's Refuse Fund continued to reflect a deficit net position as of year end; however, the deficit was reduced due to an operating income. There was a \$1 base rate increase for all residential customers for 2016.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is passed by City Council before April 1 each year. The City operates under a temporary budget for the first three months of each year.

The City's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget and very insignificant changes from the final budget to actual revenues. For expenditures, the change from the original budget to the final budget was less than \$30,000 and very insignificant. Actual expenditures were 14 percent less than the final budget due to conservative budgeting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2016, was \$21,571,664 and \$35,104,589, respectively (net of accumulated depreciation and related debt). The only additions for governmental activities were street improvements. Disposals were minimal.

For business-type activities, the only additions were infrastructure improvements. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Debt - At December 31, 2016, the City had a number of long-term obligations outstanding. Governmental activities obligations consisted of a loan for energy efficiency improvements. The business-type activities obligations included \$6,295,000 in mortgage revenue bonds, \$18,694,562 in OWDA loans, a loan for energy efficiency improvements, and \$1,129,584 in landfill postclosure costs. The only new debt in 2016 was an increase in OWDA loans for sewer related improvements.

In addition to the debt outlined above, the City's long-term obligations also include capital leases, compensated absences, and the net pension liability. For further information regarding the City's debt, refer to Notes 17, 18, and 19 to the basic financial statements.

CURRENT ISSUES

Aside from the major initiatives outlined in the Management's Discussion and Analysis, the only issue of significance is the transient tax (hotel/bed tax) the City began receiving. The City Council established this new tax in 2015. The revenues collected from the tax will be used for projects that will beautify the City. A committee has been set up to review project requests and to allocate resources.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Wilbur Wells, Wapakoneta City Auditor, 701 Parlette Court, P.O. Box 269, Wapakoneta, Ohio 45895.

City of Wapakoneta
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,183,989	\$9,677,886	\$12,861,875
Cash and Cash Equivalents with Fiscal Agents	0	1,311,646	1,311,646
Accounts Receivable	535,742	3,190,327	3,726,069
Due from Other Governments	357,724	8,506	366,230
Municipal Income Taxes Receivable	759,401	0	759,401
Other Local Taxes Receivable	12,850	58,395	71,245
Internal Balances	44,440	(44,440)	0
Prepaid Items	73,494	113,548	187,042
Materials and Supplies Inventory	33,069	1,828,907	1,861,976
Accrued Interest Receivable	1,687	0	1,687
Property Taxes Receivable	520,855	0	520,855
Notes Receivable	381,513	0	381,513
Special Assessments Receivable	30,564	0	30,564
Nondepreciable Capital Assets	1,457,113	14,034,566	15,491,679
Depreciable Capital Assets, Net	20,114,876	46,555,125	66,670,001
Total Assets	27,507,317	76,734,466	104,241,783
<u>Deferred Outflows of Resources</u>			
Pension	1,894,534	1,046,000	2,940,534
<u>Liabilities</u>			
Accrued Wages Payable	110,678	71,221	181,899
Accounts Payable	77,694	302,771	380,465
Contracts Payable	77,555	1,140,922	1,218,477
Due to Other Governments	68,275	26,074	94,349
Judgments Payable	150,000	0	150,000
Accrued Interest Payable	736	179,000	179,736
Refundable Deposits	0	276,846	276,846
Long-Term Liabilities			
Due Within One Year	170,064	1,074,340	1,244,404
Due in More Than One Year			
Net Pension Liability	6,865,574	2,636,799	9,502,373
Other Amounts Due in More Than One Year	317,286	26,165,632	26,482,918
Total Liabilities	7,837,862	31,873,605	39,711,467
<u>Deferred Inflows of Resources</u>			
Property Taxes	518,480	0	518,480
Pension	41,710	86,520	128,230
Total Deferred Inflows of Resources	560,190	86,520	646,710
<u>Net Position</u>			
Net Investment in Capital Assets	21,571,664	35,104,589	56,676,253
Restricted for			
Debt Service	424	0	424
Capital Projects	292,553	0	292,553
Community Environment	218,233	0	218,233
Recreation	33,232	0	33,232
Street and Highway Maintenance and Repair	837,469	0	837,469
Other Purposes	56,829	0	56,829
Revenue Bond Replacement	0	100,000	100,000
Future Debt Service	0	1,155,353	1,155,353
Unrestricted (Deficit)	(2,006,605)	9,460,399	7,453,794
Total Net Position	\$21,003,799	\$45,820,341	\$66,824,140

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$1,922,596	\$55,003	\$2,885	\$0
Fire	1,917,941	63,002	4,550	0
Public Health	175,745	714,370	250	0
Leisure Time Activities	484,211	247,800	21,918	0
Community Environment	131,753	0	8,938	0
Transportation	1,861,607	107,248	620,755	410,366
General Government	594,651	20,243	0	0
Interest and Fiscal Charges	6,508	0	0	0
Total Governmental Activities	7,095,012	1,207,666	659,296	410,366
<u>Business-Type Activities</u>				
Electric	15,693,356	16,033,338	0	0
Water	1,950,485	2,014,148	0	0
Sewer	2,528,933	3,503,012	0	0
Storm Sewer	123,464	156,591	0	0
Refuse	1,145,654	1,252,322	0	0
Total Business-Type Activities	21,441,892	22,959,411	0	0
Total	\$28,536,904	\$24,167,077	\$659,296	\$410,366

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for Recreation
Municipal Income Taxes
Other Local Taxes - Kilowatt
Other Local Taxes - Lodging
Grants and Entitlements not Restricted to Specific Programs
Franchise Taxes
Interest
Gifts and Donations
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (Note 3)

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$1,864,708)	\$0	(\$1,864,708)
(1,850,389)	0	(1,850,389)
538,875	0	538,875
(214,493)	0	(214,493)
(122,815)	0	(122,815)
(723,238)	0	(723,238)
(574,408)	0	(574,408)
(6,508)	0	(6,508)
(4,817,684)	0	(4,817,684)
0	339,982	339,982
0	63,663	63,663
0	974,079	974,079
0	33,127	33,127
0	106,668	106,668
0	1,517,519	1,517,519
(4,817,684)	1,517,519	(3,300,165)
372,286	0	372,286
99,006	0	99,006
2,605,349	0	2,605,349
730,063	0	730,063
92,278	0	92,278
255,631	0	255,631
119,516	0	119,516
53,915	1,088	55,003
17,893	0	17,893
59,600	166,376	225,976
4,405,537	167,464	4,573,001
(336,803)	336,803	0
4,068,734	504,267	4,573,001
(748,950)	2,021,786	1,272,836
21,752,749	43,798,555	65,551,304
\$21,003,799	\$45,820,341	\$66,824,140

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2016

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,749,216	\$342,600	\$1,012,785	\$3,104,601
Accounts Receivable	534,155	0	1,587	535,742
Due from Other Governments	121,403	0	236,321	357,724
Municipal Income Taxes Receivable	759,401	0	0	759,401
Other Local Taxes Receivable	6,364	0	6,486	12,850
Interfund Receivable	53,495	0	0	53,495
Prepaid Items	59,942	0	9,553	69,495
Materials and Supplies Inventory	16,444	0	14,758	31,202
Accrued Interest Receivable	0	1,687	0	1,687
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	36,841	0	0	36,841
Property Taxes Receivable	374,838	0	146,017	520,855
Notes Receivable	246,483	0	135,030	381,513
Special Assessments Receivable	0	30,564	0	30,564
Total Assets	\$3,958,582	\$374,851	\$1,562,537	\$5,895,970
<u>Liabilities</u>				
Accrued Wages Payable	\$95,329	\$0	\$9,901	\$105,230
Accounts Payable	60,622	3,705	12,678	77,005
Contracts Payable	0	76,780	775	77,555
Due to Other Governments	62,764	2,138	2,513	67,415
Judgments Payable	150,000	0	0	150,000
Interfund Payable	6,113	0	14,208	20,321
Total Liabilities	374,828	82,623	40,075	497,526
<u>Deferred Inflows of Resources</u>				
Property Taxes	373,096	0	145,384	518,480
Unavailable Revenue	1,147,835	32,251	202,076	1,382,162
Total Deferred Inflows of Resources	1,520,931	32,251	347,460	1,900,642
<u>Fund Balance</u>				
Nonspendable	113,227	0	24,311	137,538
Restricted	2,948	259,977	917,539	1,180,464
Assigned	1,254,981	0	233,152	1,488,133
Unassigned	691,667	0	0	691,667
Total Fund Balance	2,062,823	259,977	1,175,002	3,497,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$3,958,582	\$374,851	\$1,562,537	\$5,895,970

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2016

Total Governmental Fund Balance		\$3,497,802
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental Activities	21,571,989	
Internal Service Fund	(39,023)	
		21,532,966
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accounts Receivable	490,331	
Due from Other Governments	305,024	
Municipal Income Taxes Receivable	552,181	
Accrued Interest Receivable	1,687	
Delinquent Property Taxes Receivable	2,375	
Special Assessments Receivable	30,564	
		1,382,162
<p>An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.</p>		
		11,807
<p>Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.</p>		
		(736)
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Loans Payable	(88,298)	
Compensated Absences Payable	(399,052)	
Compensated Absences Payable-Internal Service Fund	11,860	
		(475,490)
<p>The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.</p>		
Deferred Outflows - Pension	1,894,534	
Deferred Outflows - Pension - Internal Service Fund	(76,547)	
Deferred Inflows - Pension	(41,710)	
Deferred Inflows - Pension - Internal Service Fund	3,860	
Net Pension Liability	(6,865,574)	
Net Pension Liability - Internal Service Fund	199,758	
		(4,885,679)
<p>An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.</p>		
		(59,033)
Net Position of Governmental Activities		\$21,003,799

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$375,053	\$0	\$99,471	\$474,524
Municipal Income Taxes	2,812,389	0	0	2,812,389
Other Local Taxes	822,341	0	78,368	900,709
Special Assessments	0	20,204	0	20,204
Charges for Services	833,993	0	40,839	874,832
Fees, Licenses, and Permits	120,915	0	0	120,915
Fines and Forfeitures	18,825	0	6,748	25,573
Intergovernmental	262,558	480,258	620,092	1,362,908
Interest	52,228	1,997	17,263	71,488
Gifts and Donations	19,561	0	9,513	29,074
Other	41,730	9,121	7,789	58,640
Total Revenues	5,359,593	511,580	880,083	6,751,256
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,698,831	0	0	1,698,831
Fire	1,566,585	0	0	1,566,585
Public Health	161,023	0	0	161,023
Leisure Time Activities	265,116	0	135,608	400,724
Community Environment	123,148	0	447,946	571,094
Transportation	0	961,840	612,511	1,574,351
General Government	564,628	0	0	564,628
Debt Service:				
Principal Retirement	72,228	0	0	72,228
Interest and Fiscal Charges	6,855	0	0	6,855
Total Expenditures	4,458,414	961,840	1,196,065	6,616,319
Excess of Revenues Over (Under) Expenditures	901,179	(450,260)	(315,982)	134,937
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	700,000	40,000	740,000
Transfers Out	(740,000)	0	0	(740,000)
Total Other Financing Sources (Uses)	(740,000)	700,000	40,000	0
Change in Fund Balance	161,179	249,740	(275,982)	134,937
Fund Balance Beginning of Year - Restated (Note 3)	1,901,644	10,237	1,450,984	3,362,865
Fund Balance End of Year	<u>\$2,062,823</u>	<u>\$259,977</u>	<u>\$1,175,002</u>	<u>\$3,497,802</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2016

Change in Fund Balance - Total Governmental Funds \$134,937

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.

Capital Outlay	698,414	
Depreciation	(1,052,897)	
Depreciation-Internal Service Fund	<u>1,873</u>	(352,610)

The cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (48,777)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	(3,232)	
Municipal Income Taxes	(207,040)	
Special Assessments	(20,204)	
Charges for Services	225,241	
Fees, Licenses, and Permits	2,253	
Intergovernmental	(66,059)	
Interest	(310)	
Other	<u>960</u>	(68,391)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

Loans Payable	41,631	
Capital Leases Payable	<u>30,597</u>	72,228

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 347

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences Payable-Governmental Activities	(11,357)	
Compensated Absences Payable-Internal Service Fund	<u>(281)</u>	(11,638)

(continued)

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2016
 (continued)

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense on the statement of activities.

Pension Expense	(\$964,031)	
Pension Expense - Internal Service Fund	<u>28,103</u>	(935,928)

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.

Contractually Required Contributions	477,954	
Contractually Required Contributions - Internal Service Fund	<u>(17,628)</u>	460,326

The internal service fund used by management to charge the cost of engineering services to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

556

Change in Net Position of Governmental Activities

(\$748,950)

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$366,502	\$366,502	\$375,053	\$8,551
Municipal Income Taxes	2,750,773	2,750,773	2,816,521	65,748
Other Local Taxes	881,000	881,000	818,215	(62,785)
Charges for Services	746,352	746,352	836,473	90,121
Fees, Licenses, and Permits	112,300	112,300	120,915	8,615
Fines and Forfeitures	14,000	14,000	19,877	5,877
Intergovernmental	205,084	205,084	263,088	58,004
Interest	10,500	10,500	52,228	41,728
Gifts and Donations	23,000	23,000	19,561	(3,439)
Other	44,600	44,600	65,935	21,335
Total Revenues	5,154,111	5,154,111	5,387,866	233,755
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,942,112	1,942,112	1,783,637	158,475
Fire	1,669,300	1,679,300	1,524,154	155,146
Other	8,198	8,198	0	8,198
Public Health	220,686	230,686	180,431	50,255
Leisure Time Activities	243,262	273,063	270,012	3,051
Community Environment	99,100	143,100	127,586	15,514
General Government	985,009	921,009	576,905	344,104
Debt Service:				
Principal Retirement	41,631	41,631	41,631	0
Interest and Fiscal Charges	5,369	5,369	4,713	656
Total Expenditures	5,214,667	5,244,468	4,509,069	735,399
Excess of Revenues Over (Under) Expenditures	(60,556)	(90,357)	878,797	969,154
<u>Other Financing Uses</u>				
Transfers Out	(740,000)	(740,000)	(740,000)	0
Change in Fund Balance	(800,556)	(830,357)	138,797	969,154
Fund Balance Beginning of Year	1,519,913	1,519,913	1,519,913	0
Prior Year Encumbrances Appropriated	64,612	64,612	64,612	0
Fund Balance End of Year	\$783,969	\$754,168	\$1,723,322	\$969,154

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,255,834	\$1,073,252	\$1,798,196	\$802,069
Cash and Cash Equivalents with Fiscal Agents	178,853	0	0	0
Accounts Receivable	2,325,129	301,276	396,891	13,117
Due from Other Governments	0	0	0	0
Other Local Taxes Receivable	58,395	0	0	0
Interfund Receivable	171,069	41	117	18
Prepaid Items	57,495	19,173	23,373	0
Materials and Supplies Inventory	1,605,793	191,223	31,891	0
Total Current Assets	9,652,568	1,584,965	2,250,468	815,204
<u>Non-Current Assets</u>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	276,846	0	328,613	0
Cash and Cash Equivalents with Fiscal Agents	0	0	1,132,793	0
Nondepreciable Capital Assets	205,559	560,664	12,940,242	0
Depreciable Capital Assets, Net	14,748,768	14,938,348	13,110,279	2,855,561
Total Non-Current Assets	15,231,173	15,499,012	27,511,927	2,855,561
Total Assets	24,883,741	17,083,977	29,762,395	3,670,765
<u>Deferred Outflows of Resources</u>				
Pension	396,992	186,718	260,262	0
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	26,749	13,660	20,669	0
Accounts Payable	206,958	31,721	20,096	0
Contracts Payable	1,129,092	0	6,085	5,745
Due to Other Governments	9,247	2,216	12,957	0
Interfund Payable	53,732	24,861	39,926	0
Accrued Interest Payable	0	154,574	24,426	0
Mortgage Revenue Bonds Payable	0	0	525,000	0
OWDA Loans Payable	0	175,931	0	0
Loans Payable	0	0	109,782	0
Capital Leases Payable	0	0	26,419	26,419
Compensated Absences Payable	36,571	20,850	27,526	0
Landfill Postclosure Costs Payable	0	0	0	0
Total Current Liabilities	1,462,349	423,813	812,886	32,164

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$143,076	\$9,072,427	\$42,547
0	178,853	0
153,914	3,190,327	0
8,506	8,506	0
0	58,395	0
61	171,306	0
13,507	113,548	3,999
0	1,828,907	1,867
319,064	14,622,269	48,413
0	605,459	0
0	1,132,793	0
328,101	14,034,566	0
902,169	46,555,125	39,023
1,230,270	62,327,943	39,023
1,549,334	76,950,212	87,436
202,028	1,046,000	76,547
10,143	71,221	5,448
43,996	302,771	689
0	1,140,922	0
1,654	26,074	860
85,420	203,939	541
0	179,000	0
0	525,000	0
0	175,931	0
0	109,782	0
27,106	79,944	0
14,959	99,906	5,374
83,777	83,777	0
267,055	2,998,267	12,912

(continued)

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2016
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Non-Current Liabilities</u>				
Refundable Deposits	\$276,846	\$0	\$0	\$0
Mortgage Revenue Bonds Payable	0	0	5,770,000	0
OWDA Loans Payable	0	7,692,690	10,825,941	0
Net Pension Liability	1,038,738	439,467	679,176	0
Loans Payable	0	0	114,150	0
Capital Leases Payable	0	0	145,743	145,743
Compensated Absences Payable	105,490	77,401	94,325	0
Landfill Postclosure Costs Payable	0	0	0	0
Total Non-Current Liabilities	<u>1,421,074</u>	<u>8,209,558</u>	<u>17,629,335</u>	<u>145,743</u>
Total Liabilities	<u>2,883,423</u>	<u>8,633,371</u>	<u>18,442,221</u>	<u>177,907</u>
<u>Deferred Inflows of Resources</u>				
Pension	<u>55,643</u>	<u>8,490</u>	<u>13,123</u>	<u>0</u>
<u>Net Position</u>				
Net Investment in Capital Assets	14,954,327	7,630,391	8,751,333	2,683,399
Restricted for				
Revenue Bond Replacement	0	0	100,000	0
Future Debt Service	0	0	1,155,353	0
Unrestricted (Deficit)	<u>7,387,340</u>	<u>998,443</u>	<u>1,560,627</u>	<u>809,459</u>
Total Net Position (Deficit)	<u>\$22,341,667</u>	<u>\$8,628,834</u>	<u>\$11,567,313</u>	<u>\$3,492,858</u>

Net position reported for business-type activities on the statement of net position is different because it includes a proportionate share of the balance of the internal service fund.

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$0	\$276,846	\$0
0	5,770,000	0
0	18,518,631	0
479,418	2,636,799	199,758
0	114,150	0
118,025	409,511	0
30,317	307,533	6,486
1,045,807	1,045,807	0
1,673,567	29,079,277	206,244
1,940,622	32,077,544	219,156
9,264	86,520	3,860
1,085,139	35,104,589	39,023
0	100,000	0
0	1,155,353	0
(1,283,663)	9,472,206	(98,056)
(\$198,524)	45,832,148	(\$59,033)
	(11,807)	
	\$45,820,341	

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Operating Revenues</u>				
Charges for Services	\$16,003,664	\$2,014,148	\$0	\$156,591
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	3,503,012	0
Licenses and Permits	0	0	0	0
Other	141,713	60	0	0
Other Pledged as Security on Mortgage Revenue Bonds	0	0	22,030	0
Total Operating Revenues	16,145,377	2,014,208	3,525,042	156,591
<u>Operating Expenses</u>				
Personal Services	1,065,080	501,262	734,951	0
Contractual Services	13,305,516	250,672	367,745	601
Materials and Supplies	633,468	556,660	290,425	20,839
Depreciation	630,192	325,331	433,643	88,676
Other	59,112	0	11,074	6,860
Total Operating Expenses	15,693,368	1,633,925	1,837,838	116,976
Operating Income	452,009	380,283	1,687,204	39,615
<u>Non-Operating Revenues (Expenses)</u>				
Other Local Taxes	29,674	0	0	0
Loss on Disposal of Capital Assets	0	(4,027)	(4,286)	0
Interest Revenue	0	0	1,088	0
Interest Expense	0	(312,540)	(686,902)	(6,514)
Total Non-Operating Revenues (Expenses)	29,674	(316,567)	(690,100)	(6,514)
Income before Contributions	481,683	63,716	997,104	33,101
Capital Contributions	0	103,389	118,956	114,458
Change in Net Position	481,683	167,105	1,116,060	147,559
Net Position (Deficit) Beginning of Year - Restated (Note 3)	21,859,984	8,461,729	10,451,253	3,345,299
Net Position (Deficit) End of Year	\$22,341,667	\$8,628,834	\$11,567,313	\$3,492,858

The change in net position reported for business-type activities on the statement of activities is different because it includes a proportionate share of the net income of the internal service fund.

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$1,252,322	\$19,426,725	\$215,610
0	3,503,012	0
0	0	21,849
2,573	144,346	134
0	22,030	0
1,254,895	23,096,113	237,593
516,226	2,817,519	210,182
464,752	14,389,286	14,347
74,733	1,576,125	10,497
84,079	1,561,921	1,873
0	77,046	0
1,139,790	20,421,897	236,899
115,105	2,674,216	694
0	29,674	0
0	(8,313)	0
0	1,088	0
(5,864)	(1,011,820)	0
(5,864)	(989,371)	0
109,241	1,684,845	694
0	336,803	0
109,241	2,021,648	694
(307,765)		(59,727)
(\$198,524)		(\$59,033)
	138	
	\$2,021,786	

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$15,708,909	\$1,974,361	\$3,490,019	\$156,643
Cash Received from Transactions with Other Funds	0	0	0	0
Cash Received from Utility Deposits	53,436	0	0	0
Cash Received from Other Revenues	184,730	60	22,030	0
Cash Payments for Personal Services	(1,000,749)	(467,500)	(671,907)	0
Cash Payments for Contractual Services	(13,325,109)	(240,228)	(345,739)	(52)
Cash Payments to Vendors	(534,923)	(574,912)	(316,224)	(16,594)
Cash Payments for Transactions with Other Funds	(276)	(157)	(2,095)	(601)
Cash Payments for Utility Refunds	(30,885)	0	0	0
Cash Payments for Other Expenses	(59,112)	0	(10,094)	(6,860)
Net Cash Provided by Operating Activities	996,021	691,624	2,165,990	132,536
<u>Cash Flows from Noncapital Financing Activities</u>				
Cash Received from Other Local Taxes	29,674	0	0	0
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on Mortgage Revenue Bonds	0	0	(485,000)	0
Principal Paid on OWDA Loans	0	(167,545)	(262,443)	0
Principal Paid on Loans	0	0	(105,582)	0
Principal Paid on Capital Leases	0	0	(25,578)	(25,578)
Interest Paid on Mortgage Revenue Bonds	0	0	(292,825)	0
Interest Paid on OWDA Loans	0	(315,824)	(378,333)	0
Interest Paid on Loans	0	0	(11,953)	0
Interest Paid on Capital Leases	0	0	(6,514)	(6,514)
OWDA Loan Proceeds	0	0	656,495	0
Acquisition of Capital Assets	(395,725)	(52,572)	(958,478)	(41,503)
Net Cash Used for Capital and Related Financing Activities	(395,725)	(535,941)	(1,870,211)	(73,595)
<u>Cash Flows from Investing Activities</u>				
Interest Revenue	0	0	1,088	0
Net Increase in Cash and Cash Equivalents	629,970	155,683	296,867	58,941
Cash and Cash Equivalents Beginning of Year	5,081,563	917,569	2,962,735	743,128
Cash and Cash Equivalents End of Year	\$5,711,533	\$1,073,252	\$3,259,602	\$802,069

	Total Enterprise Funds	Governmental Activity Internal Service
\$1,254,129	\$22,584,061	\$21,849
0	0	235,274
0	53,436	0
3,696	210,516	134
(493,243)	(2,633,399)	(202,036)
(561,605)	(14,472,733)	(14,071)
(100,899)	(1,543,552)	(10,554)
0	(3,129)	0
0	(30,885)	0
0	(76,066)	0
102,078	4,088,249	30,596
0	29,674	0
0	(485,000)	0
0	(429,988)	0
0	(105,582)	0
(26,209)	(77,365)	0
0	(292,825)	0
0	(694,157)	0
0	(11,953)	0
(5,864)	(18,892)	0
0	656,495	0
0	(1,448,278)	0
(32,073)	(2,907,545)	0
0	1,088	0
70,005	1,211,466	30,596
73,071	9,778,066	11,951
\$143,076	\$10,989,532	\$42,547

(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>				
Operating Income	\$452,009	\$380,283	\$1,687,204	\$39,615
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>				
Depreciation	630,192	325,331	433,643	88,676
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(250,326)	(41,415)	(13,494)	(8)
Decrease in Due from Other Governments	840	0	175	0
Decrease in Other Local Taxes Receivable	777	0	0	0
(Increase) Decrease in Interfund Receivable	(2,252)	1,628	326	60
Increase in Prepaid Items	(14,584)	(5,189)	(6,877)	0
(Increase) Decrease in Materials and Supplies Inventory	(31,621)	(19,673)	16,930	0
Increase (Decrease) in Accrued Wages Payable	2,181	1,898	3,738	0
Increase (Decrease) in Accounts Payable	(29,919)	20	(31,527)	(1,500)
Increase (Decrease) in Contracts Payable	144,563	0	(13,365)	5,745
Decrease in Due to Other Governments	(5,151)	(2,615)	(2,690)	0
Increase (Decrease) in Interfund Payable	(1,603)	12,996	23,247	(52)
Increase in Refundable Deposits	22,551	0	0	0
Increase (Decrease) in Compensated Absences Payable	33,913	10,314	33,071	0
Decrease in Landfill Postclosure Costs	0	0	0	0
Increase (Decrease) in Net Pension Liability	24,872	(20,286)	(7,686)	0
Decrease in Deferred Outflows - Pension	83,530	53,394	51,119	0
Decrease in Deferred Inflows - Pension	(63,951)	(5,062)	(7,824)	0
Net Cash Provided by Operating Activities	<u>\$996,021</u>	<u>\$691,624</u>	<u>\$2,165,990</u>	<u>\$132,536</u>

Non-Cash Capital Transactions

During 2016, governmental activities contributed capital assets to the Water, Sewer, and Storm Sewer enterprise funds, in the amount of \$103,389, \$118,956, and \$114,458, respectively.

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service
\$115,105	\$2,674,216	\$694
84,079	1,561,921	1,873
(4,732)	(309,975)	0
7,246	8,261	0
0	777	0
416	178	19,664
(5,285)	(31,935)	(1,997)
0	(34,364)	216
(1,918)	5,899	690
13,554	(49,372)	(26)
(25,615)	111,328	0
(3,334)	(13,790)	(1,008)
(27,882)	6,706	296
0	22,551	0
2,318	79,616	(281)
(82,016)	(82,016)	0
(20,739)	(23,839)	(2,260)
56,404	244,447	15,036
(5,523)	(82,360)	(2,301)
\$102,078	\$4,088,249	\$30,596

City of Wapakoneta
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$20,108</u>
<u>Liabilities</u>	
Undistributed Assets	<u>\$20,108</u>

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY OF WAPAKONETA AND THE REPORTING ENTITY

A. The City

The City of Wapakoneta is a home rule municipal corporation established and operated under the laws of the State of Ohio. The City operates under a Council/Mayor form of government.

The City is segmented into many different activities and smaller accounting entities. These include police, fire, emergency medical, street maintenance, parks and recreation, engineering, electric, water, sewer, storm sewer, refuse, and a staff to provide essential support to these service providers. These activities compose the primary government of the City and represent activities which are directly responsible to City Council and the Mayor.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Wapakoneta consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2016.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 22 to the basic financial statements.

The City serves as a custodian of public funds and holds on deposit the monies of the Police Auxiliary, a non-profit organization. The City serves as fiscal agent, but the organization is not considered part of the City. Accordingly, the activity of the Police Auxiliary is presented as an agency fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wapakoneta have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the proprietary fund financial statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are reported in three categories; governmental, proprietary, and fiduciary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street and Sewer Improvement Fund - The Street and Sewer Improvement Fund accounts for the residents' portion of special assessments for curbs, gutters, and sidewalks; grant resources for infrastructure improvements; the issuance of notes to pay for projects prior to the assessment of property owners; and transfers from the General Fund for improvements to streets and sewers that are not assessed to the property owners.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, change in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds.

Electric Fund - The Electric Fund accounts for the provision of electricity to residential and commercial users within the City.

Water Fund - The Water Fund accounts for the provision of water treatment and distribution to residential and commercial users within the City.

Sewer Fund - The Sewer Fund accounts for the provision of sanitary sewer service to residential and commercial users within the City.

Storm Sewer Fund - The Storm Sewer Fund accounts for the provision of storm sewer service to residential and commercial users within the City.

Refuse Fund - The Refuse Fund accounts for the provision of refuse collection services to residential and commercial users within the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Fund - The internal service fund accounts for engineering services that are provided to the other departments of the City or to other governmental units. Monthly fees are paid on an hourly scale and any balance on hand is held until used.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2016. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and change in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and change in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the City, deferred outflows of resources are reported on the government-wide and proprietary funds statement of net position for pension and explained in Note 14 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources includes property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 19. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position and explained in Note 14 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City prior to year end.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

To improve cash management, cash received by the City, except cash held by a trustee, is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents that are held separately for the City by fiscal agents and not held with the City Treasurer are recorded as “Cash and Cash Equivalents with Fiscal Agents”.

During 2016, investments included non-negotiable certificates of deposit, mutual funds, and STAR Ohio. Non-negotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share price. Star Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, “Certain External Investment Pools and Pool Participants”. The City measures the investment in Star Ohio at the net asset value (NAV) per share provided by Star Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given twenty-four hours in advance of all deposits and withdrawals exceeding \$25 million. Star Ohio reserves the right to limit the transaction to \$50 million requiring the excess amount to be transacted the following business day(s) but only to the \$50 million limit. All accounts of the participant will be combined for this purpose.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2016 was \$52,228, which includes \$40,182 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Unclaimed monies that have a legal restriction on their use are reported as restricted.

Restricted assets also represent certain resources which are segregated from other resources of the City to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of the City or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

Restricted assets also represent utility deposits from customers that are classified as restricted because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. Capital assets used by the internal service fund are reported in both the governmental activities column on the government-wide statement of net position and in the fund.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized. No interest was capitalized for 2016.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20-45 years	N/A
Buildings	10-100 years	10-100 years
Equipment	5-30 years	5-30 years
Vehicles	10-38 years	6-25 years
Streets	15-60 years	N/A
Electric, Water, Sewer, and Storm Sewer Lines	N/A	10-100 years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund services provided and used are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “Internal Balances”.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as liabilities on the fund financial statements when due.

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes consists of various police department grants and programs. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. The committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts for swimming pool operations, to cover a gap between estimated resources and appropriations in the 2017 budget, and debt retirement.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, water, sewer, storm sewer, and refuse services, and charges for engineering services in the internal service fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Capital Contributions

Capital contributions arise from contributions of capital assets from other funds.

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the pension plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

T. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE/NET POSITION

For 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statement No. 67 and No. 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 79, "Certain External Investment Pools and Pool Participants", and GASB Statement No. 82, "Pension Issues an Amendment of GASB Statement No. 67, No. 68, and No. 73".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE/NET POSITION (continued)

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68, “Accounting and Financial Reporting for Pensions”, as well as for the assets accumulated for the purpose of providing those pensions. It also amends certain provisions of GASB Statement No. 67, “Financial Reporting for Pension Plans”, and GASB Statement No. 68. The implementation of this statement did not result in any changes to the City’s financial statements.

GASB Statement No. 76 identifies, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this statement did not result in any changes to the City’s financial statements.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting governments own tax abatements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. The implementation of this statement did not result in any changes in the City’s financial statements as the City does not have any material GASB Statement No. 77 tax abatements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure, for financial reporting purposes, all of their investments at amortized cost. This statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in these pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB Statement No. 79 guidance into the 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

An adjustment was necessary for the distribution of kilowatt hour tax for prior years. The restatement had the following effect on fund balance of the governmental funds.

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
Fund Balance at December 31, 2015	\$2,105,272	\$10,237	\$1,450,984	\$3,566,493
Kilowatt Hour Tax	(203,628)	0	0	(203,628)
Adjusted Fund Balance at December 31, 2015	<u>\$1,901,644</u>	<u>\$10,237</u>	<u>\$1,450,984</u>	<u>\$3,362,865</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE/NET POSITION (continued)

The City determined that there were capital assets that had not been reported in prior years or that were still being reported but had been disposed. These changes as well as the adjustment for kilowatt hour tax had the following effect on net position.

	Electric	Water	Sewer	Storm Sewer	Refuse
Net Position (Deficit) at December 31, 2015	\$21,645,767	\$8,490,236	\$9,141,718	\$3,347,567	(\$478,217)
Depreciable Capital Assets	(171,834)	(66,573)	(393,206)	(51,078)	337,898
Accumulated Depreciation	182,423	38,066	1,702,741	48,810	(167,446)
Kilowatt Hour Tax	203,628	0	0	0	0
Adjusted Net Position (Deficit) at December 31, 2015	<u>\$21,859,984</u>	<u>\$8,461,729</u>	<u>\$10,451,253</u>	<u>\$3,345,299</u>	<u>(\$307,765)</u>

	Governmental Activities	Business-Type Activities
Net Position December 31, 2015	\$22,032,127	\$42,135,126
Depreciable Capital Assets	(358,596)	(344,793)
Accumulated Depreciation	282,846	1,804,594
Kilowatt Hour Tax	(203,628)	203,628
Restated Net Position December 31, 2015	<u>\$21,752,749</u>	<u>\$43,798,555</u>

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2016, the Refuse enterprise fund had a deficit net position, in the amount of \$198,524, due to recording landfill postclosure costs. Refuse rates were increased in 2016 to help offset rising costs and to reduce the deficit.

The internal service fund had a deficit net position, in the amount of \$59,033, due to recording the net pension liability. This amount will be paid by the pension system in future years as individuals retire.

B. Compliance

For the year ended December 31, 2016, the General Fund had expenditures plus encumbrances in excess of appropriations, in the amount of \$467 and \$677, for the clerk of council personal services and contractual services accounts, respectively, and \$22,803 for the income tax other account. The City Auditor will monitor budgetary transactions to ensure expenditures are within amounts appropriated.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and change in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the General Fund are as follows:

Change in Fund Balance	
GAAP Basis	\$161,179
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2015, Received in Cash 2016	316,970
Accrued 2016, Not Yet Received in Cash	(328,725)
Expenditure Accruals:	
Accrued 2015, Paid in Cash 2016	(330,048)
Accrued 2016 Not Yet Paid in Cash	374,828
Cash Adjustments	
Unrecorded Activity 2015	500
Prepaid Items	(33,947)
Materials and Supplies Inventory	1,247
Revolving Loans Payments	39,528
Encumbrances Outstanding at Year End (Budget Basis)	(62,735)
Budget Basis	\$138,797

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the city treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the City Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,546,852 of the City's bank balance of \$6,180,726 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

At December 31, 2016, the City had \$1,132,793 invested in mutual funds with an average maturity of 51 days and \$6,795,698 invested in STAR Ohio with an average maturity of 51.6 days. Mutual funds are valued at fair value and STAR Ohio is valued at net asset value per share.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2016. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the City Auditor from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2016, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of \$289,651, will not be received within one year. Special assessments receivable, in the amount of \$19,793, will not be received within one year. At December 31, 2016, the amount of delinquent special assessments was \$347.

Notes receivable represent low interest loans for development projects granted to eligible City businesses. The notes have an annual interest rate of 2 percent to 6.25 percent and are to be repaid over periods ranging from five to eighteen years.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 7 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Fund	
General Fund	
Homestead and Rollback	\$24,911
Local Government	96,129
Cigarette Taxes	363
Total Major Fund	121,403
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	110,188
Highway Distribution	57,205
Motor Vehicle License Tax	47,707
Ohio Department of Public Safety	961
Total Street Maintenance	216,061
State Highway	
Gasoline Tax	8,916
Highway Distribution	4,639
Motor Vehicle License Tax	3,868
Ohio Department of Public Safety	78
Total State Highway	17,501
Recreation	
Homestead and Rollback	2,759
Total Nonmajor Funds	236,321
Total Governmental Activities	\$357,724
Business-Type Activities	
Refuse	
Auglaize County	\$8,506

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies an income tax of 1 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenues and expenditures for collecting, administering, and enforcing the tax are recorded in the General Fund.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2016 represent the collection of 2015 taxes. Real property taxes received in 2016 were levied after October 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2016 represent the collection of 2015 taxes. Public utility real and tangible personal property taxes received in 2016 became a lien on December 31, 2014, were levied after October 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Wapakoneta. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2016, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Agricultural/Residential	\$107,511,780
Commercial/Industrial	44,587,200
Public Utility Real	66,420
Public Utility Personal	3,262,400
Total	<u>\$155,427,800</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Restated Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$1,410,446	\$0	\$0	\$1,410,446
Construction in Progress	39,406	7,261	0	46,667
Total Nondepreciable Capital Assets	1,449,852	7,261	0	1,457,113
Depreciable Capital Assets				
Land Improvements	3,031,111	0	0	3,031,111
Buildings	3,599,947	0	0	3,599,947
Equipment	492,909	0	0	492,909
Vehicles	2,896,071	0	0	2,896,071
Streets	27,692,706	691,153	(121,944)	28,261,915
Total Depreciable Capital Assets	37,712,744	691,153	(121,944)	38,281,953
Less Accumulated Depreciation for				
Land Improvements	(711,540)	(83,606)	0	(795,146)
Buildings	(926,426)	(53,303)	0	(979,729)
Equipment	(351,705)	(17,820)	0	(369,525)
Vehicles	(1,848,149)	(101,251)	0	(1,949,400)
Streets	(13,349,527)	(796,917)	73,167	(14,073,277)
Total Accumulated Depreciation	(17,187,347)	(1,052,897)	73,167	(18,167,077)
Total Depreciable Capital Assets, Net	20,525,397	(361,744)	(48,777)	20,114,876
Governmental Activities Capital Assets, Net	\$21,975,249	(\$354,483)	(\$48,777)	\$21,571,989
	Restated Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$1,171,268	\$0	\$0	\$1,171,268
Construction in Progress	12,132,239	731,059	0	12,863,298
Total Nondepreciable Capital Assets	13,303,507	731,059	0	14,034,566

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 10 - CAPITAL ASSETS (continued)

	Restated Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
Business-Type Activities (continued):				
Depreciable Capital Assets				
Buildings	\$20,009,700	\$0	\$0	\$20,009,700
Equipment	986,218	0	0	986,218
Vehicles	4,346,481	0	0	4,346,481
Electric, Water, Sewer, and Storm Sewer Lines	45,880,251	1,033,528	(29,690)	46,884,089
Total Depreciable Capital Assets	<u>71,222,650</u>	<u>1,033,528</u>	<u>(29,690)</u>	<u>72,226,488</u>
Less Accumulated Depreciation for				
Buildings	(2,697,469)	(267,061)	0	(2,964,530)
Equipment	(526,492)	(28,087)	0	(554,579)
Vehicles	(2,171,140)	(208,618)	0	(2,379,758)
Electric, Water, Sewer, and Storm Sewer Lines	(18,735,718)	(1,058,155)	21,377	(19,772,496)
Total Accumulated Depreciation	<u>(24,130,819)</u>	<u>(1,561,921)</u>	<u>21,377</u>	<u>(25,671,363)</u>
Total Depreciable Capital Assets, Net	<u>47,091,831</u>	<u>(528,393)</u>	<u>(8,313)</u>	<u>46,555,125</u>
Business-Type Activities Capital Assets, Net	<u>\$60,395,338</u>	<u>\$202,666</u>	<u>(\$8,313)</u>	<u>\$60,589,691</u>

Business-type activities accepted contributions of depreciable capital assets from governmental activities with a fair value of \$336,803.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$26,156
Security of Persons and Property - Fire	86,018
Public Health	18,393
Leisure Time Activities	70,260
Transportation	838,110
General Government	13,960
Total Depreciation Expense - Governmental Activities	<u>\$1,052,897</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 11 - INTERFUND BALANCES

Interfund balances at December 31, 2016, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Electric	<u><u>\$53,495</u></u>
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Due to Electric Fund from:

General	\$6,113
Other Governmental	14,208
Water	24,861
Sewer	39,926
Refuse	85,420
Internal Service	541

Total Electric Fund	<u><u>\$171,069</u></u>
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Due to Water Fund from:

Electric	<u><u>\$41</u></u>
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Due to Sewer Fund from:

Electric	<u><u>\$117</u></u>
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Due to Storm Sewer from:

Electric	<u><u>\$18</u></u>
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Due to Refuse from:

Electric	<u><u>\$61</u></u>
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The balances due resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts are expected to be received within one year.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2016, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$66,571,704	\$1,000
General Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Law Enforcement Liability		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Automobile Liability	7,000,000	250-500
Inland Marine	1,581,690	1,000
Electronic Data Processing	350,773	1,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been any significant reduction in coverage from the prior year.

Worker's compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2016:

Vendor	Contract Amount	Amount Paid as of 12/31/16	Outstanding Balance
A CH2M Hill, Inc.	\$125,000	\$118,915	\$6,085
American Municipal Power	3,010,000	1,880,908	1,129,092
Choice One Engineering Corp.	217,781	196,563	21,218
CTL Engineering, Inc.	15,000	11,871	3,129
Helms & Sons Excavating	7,789,849	7,243,731	546,118
Stemen's Concrete	32,500	8,080	24,420
The Shelly Company	150,000	149,225	775

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2017 are as follows:

General	\$62,735
Street and Sewer Improvement	145,227
Total	\$207,962

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation, including pension.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information including requirements for reduced and unreduced benefits).

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

When a benefit recipient has received benefits for twelve months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	State and Local	Public Safety	Law Enforcement
2016 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer			
Pension	12.0 %	16.1 %	16.1 %
Postemployment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.

** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$352,569 for 2016. Of this amount, \$10,845 is reported as an intergovernmental payable.

Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - Full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Upon attaining a qualifying age with sufficient years of service, an OPF member may retire and receive a lifetime monthly pension. OPF offers four types of service retirement; normal, service commuted, age/service commuted, and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit.

Under normal service retirement, retired members who are at least fifty-five years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age fifty-five provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the twelve month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least fifteen years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2016 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$358,081 for 2016. Of this amount, \$56,458 is reported as an intergovernmental payable.

Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.02306500%	0.08560800%	
Prior Measurement Date	<u>0.02301400%</u>	<u>0.08273130%</u>	
Change in Proportionate Share	<u>0.00005100%</u>	<u>0.00287670%</u>	
Proportionate Share of the Net			
Pension Liability	\$3,995,150	\$5,507,223	\$9,502,373
Pension Expense	\$562,039	\$772,936	\$1,334,975

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$1,174,325	\$896,365	\$2,070,690
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	39,630	119,564	159,194
City Contributions Subsequent to the Measurement Date	<u>352,569</u>	<u>358,081</u>	<u>710,650</u>
Total Deferred Outflows of Resources	<u>\$1,566,524</u>	<u>\$1,374,010</u>	<u>\$2,940,534</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$77,194	\$15,464	\$92,658
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	<u>35,572</u>	<u>0</u>	<u>35,572</u>
Total Deferred Inflows of Resources	<u>\$112,766</u>	<u>\$15,464</u>	<u>\$128,230</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

\$710,650 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Year Ending December 31,	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2017	\$258,708	\$256,094	\$514,802
2018	277,485	256,094	533,579
2019	299,245	256,094	555,339
2020	265,751	204,767	470,518
2021	0	23,037	23,037
Thereafter	<u>0</u>	<u>4,379</u>	<u>4,379</u>
Total	<u>\$1,101,189</u>	<u>\$1,000,465</u>	<u>\$2,101,654</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation are presented below.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	
Pre-January 7, 2013, Retirees	3 percent simple
Post-January 7, 2013, Retirees	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	8 percent
Actuarial Cost Method	individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefits portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the combined plan, the annuitized accounts of the member-directed plan, and the VEBA Trust. Within the Defined Benefits portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expenses, for the Defined Benefits portfolio was .4 percent for 2015.

The allocation of investment assets with the Defined Benefits portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plan.

The table below displays the board approved asset allocation policy for 2015 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

Discount Rate - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$6,365,248	\$3,995,150	\$1,996,045

Changes Between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact the annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of January 1, 2015, are presented below.

Valuation Date	January 1, 2015
Actuarial Cost Method	entry age normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.6 percent and 3 percent simple

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Mortality rates are based on the RP-2000 Combined Table, age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015, are summarized below.

Asset Class	Target Allocation	Ten Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equities	16.00	6.50	7.80
Non-U.S. Equities	16.00	6.70	8.00
Core Fixed Income*	20.00	3.50	5.35
Global Inflation Protected*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	120.00 %		

Note: assumptions are geometric

* levered 2x

** Numbers are net of expected inflation

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure which reduces overall total portfolio risk without sacrificing return and creating a more risk balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.25 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's Proportionate Share of the Net Pension Liability	\$7,263,289	\$5,507,223	\$4,019,662

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit postemployment health care trusts which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement, and Medicare Part B premium reimbursements to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits including OPERS sponsored health care coverage.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees and the traditional pension and combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. As recommended by the OPERS actuary, the portion of the employer contribution allocated to health care beginning January 1, 2016, remained at 2 percent for both the traditional pension and combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a retiree medical account for member-directed plan members. The employer contribution as a percentage of covered payroll deposited into the retiree medical accounts for 2016 was 4 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Health Care Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2016, reflects a partial year of activity in the 401(h) Health Care Trust and the VEBA Trust prior to the termination of these trusts as of the end of the business day June 30, 2016, and the assets and liabilities or net position of these trusts being consolidated into the 115 Health Care Trust on July 1, 2016.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$58,762, \$57,414, and \$56,432, respectively. For 2016, 97 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the OPF website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as a percentage of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contribution to OPF for the years ended December 31, 2016, 2015, and 2014, was \$366,487, \$375,871, and \$354,318, respectively, of which \$8,406, \$8,582, and \$8,093 was allocated to the health care plan. For 2016, 84 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

NOTE 16 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

City employees earn vacation at varying rates depending upon length of service and standard work week. Current policy permits two weeks of vacation to be carried forward to the following year. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Non-union employees earn sick leave at a rate of four and six-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each non-union employee or utility worker hired prior to January 1, 1988, with ten or more years of service with the City or other political subdivision within the State of Ohio, is paid for one-half of their earned unused sick leave upon retirement. Each non-union employee or utility worker hired after January 1, 1988, at the time of retirement from active service with the City, is paid 25 percent of their earned unused sick leave up to a maximum of one hundred twenty accrued sick days (thirty days total maximum payment).

All bargaining-unit employees, except firefighters, earn sick leave at a rate of four and sixty-two hundredths of an hour for every hour worked. Firefighters earn sick leave at a rate of five and seventy-five hundredths of an hour for every hour worked. Current policy permits sick leave to be accumulated without limit. Each bargaining-unit employee, at the time of retirement from active service with the City, is paid for one-half of their earned unused sick leave up to a maximum of 1,040 accrued sick hours (one hundred thirty days total maximum payment), except for firefighters hired after January 1, 1988.

Firefighters are paid for one-half of their earned unused sick leave up to a maximum of six hundred sixty accrued sick hours (eighty two and one-half days total maximum payment) with fifteen or more years of service. Firefighters will less than fifteen years of service are paid for one-fourth of their earned unused sick leave up to a maximum of four hundred eighty accrued sick hours (sixty days total maximum payment).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 17 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2016, was as follows:

		Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Due Within One Year
<u>Governmental Activities</u>						
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		\$943,751	\$414,600	\$0	\$1,358,351	\$0
Ohio Police and Fire		4,285,826	1,221,397	0	5,507,223	0
Total Net Pension Liability		5,229,577	1,635,997	0	6,865,574	0
Loans Payable		129,929	0	41,631	88,298	43,288
Capital Leases Payable		30,597	0	30,597	0	0
Compensated Absences Payable		387,695	178,959	167,602	399,052	126,776
Total Governmental Activities		<u>\$5,777,798</u>	<u>\$1,814,956</u>	<u>\$239,830</u>	<u>\$7,352,924</u>	<u>\$170,064</u>
	Interest Rate	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Due Within One Year
<u>Business-Type Activities</u>						
Mortgage Revenue Bonds						
1998 Sewer System Bonds	3.30 - 4.95%	\$900,000	\$0	\$285,000	\$615,000	\$300,000
2006 Sewer System Bonds	4 - 4.25	5,880,000	0	200,000	5,680,000	225,000
Total Mortgage Revenue Bonds		6,780,000	0	485,000	6,295,000	525,000
Other Long-Term Obligations						
OWDA Loans						
Water		8,036,166	0	167,545	7,868,621	175,931
Sewer		10,431,889	656,495	262,443	10,825,941	0
Net Pension Liability						
Ohio Public Employees Retirement System		1,831,995	804,804	0	2,636,799	0
Loans Payable		329,514	0	105,582	223,932	109,782
Capital Leases Payable		566,820	0	77,365	489,455	79,944
Compensated Absences Payable		327,823	87,472	7,856	407,439	99,906
Landfill Postclosure Costs		1,211,600	0	82,016	1,129,584	83,777
Total Other Long-Term Obligations		22,735,807	1,548,771	702,807	23,581,771	549,340
Total Business-Type Activities		<u>\$29,515,807</u>	<u>\$1,548,771</u>	<u>\$1,187,807</u>	<u>\$29,876,771</u>	<u>\$1,074,340</u>

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Net Pension Liability - There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the General Fund, Street Maintenance and Recreation special revenue funds, Electric, Water, Sewer, and Refuse enterprise funds; and the Engineering internal service fund.

Loans Payable - In 2009, the City obtained a loan from Energy Systems Group, in the amount of \$1,303,630, for energy efficiency upgrades; \$368,662 at the fire station and \$934,968 at the waste water treatment plant. The loans were obtained for a ten year period with final maturity during 2018. The loans are being retired through the General Fund and the Sewer enterprise fund. Of the total loan amount, \$88,298 and \$223,932 was not capitalized for governmental activities and in the Sewer enterprise fund, respectively.

Capital Leases Payable - Capital lease obligations will be paid from the fund that maintains custody of the related asset.

Compensated Absences Payable - The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, Street Maintenance special revenue fund, Electric, Water, Sewer, and Refuse enterprise funds, and the Engineering internal service fund.

Mortgage Revenue Bonds - Mortgage revenue bonds are special obligations of the City secured by a lien upon the assets of the respective system. These bonds are payable solely from the gross revenues of the respective system after provisions for reasonable operating and maintenance expenses. The bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers be in sufficient amounts to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

1998 Sewer System Bonds - On November 30, 1998, the City issued \$4,190,000 in sewer system bonds to advance refund 1990 sewer system bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds were issued for a twenty year period, with final maturity during 2018. The bonds will be paid from the Sewer enterprise fund.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

The term bonds maturing on December 1, 2018, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the City. The mandatory redemption is to occur on December 1, in each of the years 2010 through 2017 (with the balance of \$315,000 to be paid at stated maturity in 2018), at a redemption priced equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2017	\$300,000

The bonds maturing on or after December 1, 2009, are subject to optional redemption prior to maturity, commencing on December 1, 2009, either in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of the principal amount redeemed) plus accrued interest to the redemption date as set forth below:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2010, and thereafter	100%

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2016, were \$358,581.

2006 Sewer System Bonds - On June 1, 2006, the City issued \$7,425,000 in sewer system bonds for improvements to the wastewater collection and sewer system. The bonds were issued for a twenty year period, with final maturity during 2026. The bonds will be paid from the Sewer enterprise fund.

The bonds maturing on or after December 1, 2017, are subject to optional redemption prior to maturity, commencing on December 1, 2016, either in whole or in part, in inverse order of maturity and by lot within any maturity, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2016, were \$774,212.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

The mortgage revenue bonds will be paid from the gross revenues of the Sewer enterprise fund after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the bonds from the Sewer enterprise fund during 2016 was \$777,825. Total net revenues for the Sewer enterprise fund were \$2,120,847.

OWDA Loans - OWDA loans consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a wellfield and raw water line improvements, a long-term control plan design, and south inceptor improvements. OWDA loans will be paid from the Water and Sewer enterprise funds.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans during 2016 was \$483,369 from the Water enterprise fund and \$640,776 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$705,614 and \$2,120,847 respectively. The OWDA loans are payable through 2040 from the Water enterprise fund. The loans related to the Sewer enterprise fund are for projects not yet completed and a repayment schedule has not yet been established.

Due to AMP-Ohio - The City of Wapakoneta is a member of American Municipal Power (AMP) and a participant in the American Municipal Power Generating Station Project (AMPGS). This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share of the project was 5,000 kW of a total capacity of 771,281 kW, giving the City a .65 percent share of the project.

The AMPGS project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS project due to projected escalating costs. These costs were, therefore, deemed impaired and participants were obligated to pay costs already incurred. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The City's estimated share of the impaired costs at March 31, 2014, was \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. As a result of the payment in excess of the final impaired cost estimate, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$178,853 at December 31, 2016.

Any additional costs or amounts received related to the project may result in a future liability to the City. These amounts will be recorded as they become estimable.

The City's legal debt margin was \$16,275,937 at December 31, 2016.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

The long-term control plan design and south inceptor improvement projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2016, were as follows:

Year	Loans	
	Principal	Interest
2017	\$43,288	\$3,057
2018	45,010	1,334
	\$88,298	\$4,391

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016, from the enterprise funds were as follows:

Year	Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2017	\$525,000	\$270,717	\$175,931	\$309,140
2018	540,000	246,868	184,745	302,119
2019	565,000	222,275	194,007	294,746
2020	585,000	198,262	203,740	287,001
2021	610,000	173,400	213,969	278,867
2022 to 2026	3,470,000	454,963	1,242,505	1,257,210
2027 to 2031	0	0	1,588,985	982,577
2032 to 2036	0	0	2,033,719	630,942
2037 to 2040	0	0	2,031,020	185,987
Total	\$6,295,000	\$1,566,485	\$7,868,621	\$4,528,589

Year	Loans	
	Principal	Interest
2017	\$109,782	\$7,752
2018	114,150	3,384
	\$223,932	\$11,136

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into capitalized leases for vehicles and equipment. Principal payments in 2016 were \$30,597 for governmental activities and \$25,578, \$25,578, and \$26,209 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively.

	Business-Type Activities
Equipment	\$71,170
Vehicles	524,891
Less Accumulated Depreciation	(68,664)
Total	\$527,397

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2016.

Year	Business-Type Activities	
	Principal	Interest
2017	\$79,944	\$16,313
2018	82,614	13,643
2019	85,371	10,886
2020	88,222	8,035
2021	91,167	5,090
2022	62,137	2,047
Total	\$489,455	\$56,014

NOTE 19 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$1,129,584 reported as landfill postclosure costs at December 31, 2016, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. The City has passed the financial accountability test proving the ability to self-fund these future costs.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 20 - INTERFUND TRANSFERS

During 2016, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$700,000, as debt payments came due. The General Fund also made transfers to other governmental funds, in the amount of \$40,000 to subsidize activities in other funds.

NOTE 21 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Nonspendable for:				
Materials and Supplies	\$16,444	\$0	\$14,758	\$31,202
Prepaid Items	59,942	0	9,553	69,495
Unclaimed Monies	36,841	0	0	36,841
Total Nonspendable	113,227	0	24,311	137,538
Restricted for:				
Ambulance Operations	250	0	0	250
Debt Retirement	0	0	1,160	1,160
Economic Development	0	0	218,233	218,233
Police Operations	2,698	0	18,186	20,884
Recreation	0	0	27,671	27,671
Street Construction and Maintenance	0	259,977	652,289	912,266
Total Restricted	2,948	259,977	917,539	1,180,464
Assigned for:				
Debt Retirement	0	0	43,156	43,156
Fire Department Operations	0	0	189,996	189,996
Swimming Pool Operations	5,233	0	0	5,233
Projected Budget Shortage	1,206,995	0	0	1,206,995
Unpaid Obligations	42,753	0	0	42,753
Total Assigned	1,254,981	0	233,152	1,488,133
Unassigned	691,667	0	0	691,667
Total Fund Balance	\$2,062,823	\$259,977	\$1,175,002	\$3,497,802

NOTE 22 - INSURANCE POOL

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the plan based on the types and limits of coverage and deductibles selected by the participant. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 1505 Jefferson Avenue, Toledo, Ohio 43603.

NOTE 23 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2016, to December 31, 2016, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

City of Wapakoneta
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional
Last Three Years (1)

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.02306500%	0.02301400%	0.02301400%
City's Proportionate Share of the Net Pension Liability	\$3,995,150	\$2,775,746	\$2,713,051
City's Covered Payroll	\$2,870,693	\$2,821,592	\$2,703,873
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	139.17%	98.38%	100.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

City of Wapakoneta
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Three Years (1)

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.08560800%	0.08273130%	0.08273130%
City's Proportionate Share of the Net Pension Liability	\$5,507,223	\$4,285,826	\$4,029,274
City's Covered Payroll	\$1,716,519	\$1,618,630	\$1,779,275
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	320.84%	264.78%	226.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

City of Wapakoneta
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employees Retirement System - Traditional Plan
 Last Four Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$352,569	\$344,483	\$338,591	\$351,504
Contributions in Relation to the Contractually Required Contribution	<u>(352,569)</u>	<u>(344,483)</u>	<u>(338,591)</u>	<u>(351,504)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,938,075	\$2,870,693	\$2,821,592	\$2,703,873
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

City of Wapakoneta
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$358,081	\$367,289	\$346,225	\$323,424
Contributions in Relation to the Contractually Required Contribution	<u>(358,081)</u>	<u>(367,289)</u>	<u>(346,225)</u>	<u>(323,424)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$1,681,070	\$1,716,519	\$1,618,630	\$1,779,275
Contributions as a Percentage of Covered Payroll	21.30%	21.40%	21.39%	18.18%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$281,890	\$274,662	\$228,561	\$265,667	\$255,384	\$251,103
<u>(281,890)</u>	<u>(274,662)</u>	<u>(228,561)</u>	<u>(265,667)</u>	<u>(255,384)</u>	<u>(251,103)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,888,878	\$1,844,755	\$1,510,792	\$1,774,143	\$1,704,421	\$1,678,139
14.92%	14.89%	15.13%	14.97%	14.98%	14.96%

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the City's nonmajor special revenue funds:

Street Maintenance Fund

To account for 92.5 percent of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund

To account for 7.5 percent of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways within in the City.

Motor Vehicle Permissive Tax Fund

To account for additional motor vehicle registration fees levied by the City and restricted for street maintenance and repair.

Community Block Grant Fund

To account for grants received under the Community Development Block Grant Program as well as the revolving loan program restricted for the revolving loan program and other community development expenditures.

Recreation Fund

To account for property taxes, grants, donations, and other resources restricted for recreation activities.

Law Enforcement Fund

To account for fines and forfeitures restricted for law enforcement purposes.

Enforcement and Education Fund

To account for fines and forfeitures charged for driving under the influence arrests. These resources are restricted for enforcement and education programs to prevent occurrences of driving under the influence.

Drug Law Enforcement Fund

To account for the sale of confiscated property restricted for use on drug law enforcement activities.

Rudd Park Trust Fund

To account for monies from the Wapakoneta Area Community Foundation restricted for use on Rudd Park.

(continued)

City of Wapakoneta
Combining Statements - Nonmajor Governmental Funds
(continued)

Nonmajor Debt Service Funds

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for debt principal, interest, and related costs.

Debt Service Fund

To account for transfers from the Street and Sewer Improvement Fund restricted for the payment of principal, interest, and fiscal charges.

Downtown Debt Fund

To account for transfers from the General Fund assigned for the payment of principal, interest, and fiscal charges.

Nonmajor Capital Projects Fund

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds.)

Capital Fire Truck Fund

To account for transfers from the General Fund assigned for the purchase or repair of fire trucks.

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$778,473	\$44,316	\$189,996	\$1,012,785
Accounts Receivable	1,587	0	0	1,587
Due from Other Governments	236,321	0	0	236,321
Other Local Taxes Receivable	6,486	0	0	6,486
Prepaid Items	9,553	0	0	9,553
Materials and Supplies Inventory	14,758	0	0	14,758
Property Taxes Receivable	146,017	0	0	146,017
Notes Receivable	135,030	0	0	135,030
Total Assets	\$1,328,225	\$44,316	\$189,996	\$1,562,537
<u>Liabilities</u>				
Accrued Wages Payable	\$9,901	\$0	\$0	\$9,901
Accounts Payable	12,678	0	0	12,678
Contracts Payable	775	0	0	775
Due to Other Governments	2,513	0	0	2,513
Interfund Payable	14,208	0	0	14,208
Total Liabilities	40,075	0	0	40,075
<u>Deferred Inflows of Resources</u>				
Property Taxes	145,384	0	0	145,384
Unavailable Revenue	202,076	0	0	202,076
Total Deferred Inflows of Resources	347,460	0	0	347,460
<u>Fund Balance</u>				
Nonspendable	24,311	0	0	24,311
Restricted	916,379	1,160	0	917,539
Assigned	0	43,156	189,996	233,152
Total Fund Balance	940,690	44,316	189,996	1,175,002
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$1,328,225	\$44,316	\$189,996	\$1,562,537

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$191,744	\$288,868	\$148,028	\$83,203
Accounts Receivable	1,587	0	0	0
Due from Other Governments	216,061	17,501	0	0
Other Local Taxes Receivable	0	0	6,486	0
Prepaid Items	7,463	0	0	0
Materials and Supplies Inventory	12,877	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	135,030
Total Assets	\$429,732	\$306,369	\$154,514	\$218,233
<u>Liabilities</u>				
Accrued Wages Payable	\$9,095	\$0	\$0	\$0
Accounts Payable	6,678	0	0	0
Contracts Payable	0	0	775	0
Due to Other Governments	1,474	0	0	0
Interfund Payable	1,280	0	0	0
Total Liabilities	18,527	0	775	0
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	183,918	14,766	0	0
Total Deferred Inflows of Resources	183,918	14,766	0	0
<u>Fund Balance</u>				
Nonspendable	20,340	0	0	0
Restricted	206,947	291,603	153,739	218,233
Total Fund Balance	227,287	291,603	153,739	218,233
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$429,732	\$306,369	\$154,514	\$218,233

Recreation	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Rudd Park Trust	Total
\$46,642	\$7,071	\$4,858	\$6,257	\$1,802	\$778,473
0	0	0	0	0	1,587
2,759	0	0	0	0	236,321
0	0	0	0	0	6,486
2,090	0	0	0	0	9,553
1,881	0	0	0	0	14,758
146,017	0	0	0	0	146,017
0	0	0	0	0	135,030
<u>\$199,389</u>	<u>\$7,071</u>	<u>\$4,858</u>	<u>\$6,257</u>	<u>\$1,802</u>	<u>\$1,328,225</u>
\$806	\$0	\$0	\$0	\$0	\$9,901
6,000	0	0	0	0	12,678
0	0	0	0	0	775
1,039	0	0	0	0	2,513
12,928	0	0	0	0	14,208
<u>20,773</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,075</u>
145,384	0	0	0	0	145,384
3,392	0	0	0	0	202,076
<u>148,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>347,460</u>
3,971	0	0	0	0	24,311
25,869	7,071	4,858	6,257	1,802	916,379
<u>29,840</u>	<u>7,071</u>	<u>4,858</u>	<u>6,257</u>	<u>1,802</u>	<u>940,690</u>
<u>\$199,389</u>	<u>\$7,071</u>	<u>\$4,858</u>	<u>\$6,257</u>	<u>\$1,802</u>	<u>\$1,328,225</u>

City of Wapakoneta
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2016

	Debt Service	Downtown Debt	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,160	\$43,156	\$44,316
<u>Fund Balance</u>			
Restricted	\$1,160	\$0	\$1,160
Assigned	0	43,156	43,156
Total Fund Balance	\$1,160	\$43,156	\$44,316

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$99,471	\$0	\$0	\$99,471
Other Local Taxes	78,368	0	0	78,368
Charges for Services	40,839	0	0	40,839
Fines and Forfeitures	6,748	0	0	6,748
Intergovernmental	620,092	0	0	620,092
Interest	17,263	0	0	17,263
Gifts and Donations	9,513	0	0	9,513
Other	7,789	0	0	7,789
Total Revenues	880,083	0	0	880,083
<u>Expenditures</u>				
Current:				
Leisure Time Activities	135,608	0	0	135,608
Community Environment	447,946	0	0	447,946
Transportation	612,511	0	0	612,511
Total Expenditures	1,196,065	0	0	1,196,065
Excess of Revenues Under Expenditures	(315,982)	0	0	(315,982)
<u>Other Financing Sources</u>				
Transfers In	40,000	0	0	40,000
Change in Fund Balance	(275,982)	0	0	(275,982)
Fund Balance Beginning of Year	1,216,672	44,316	189,996	1,450,984
Fund Balance End of Year	<u>\$940,690</u>	<u>\$44,316</u>	<u>\$189,996</u>	<u>\$1,175,002</u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	78,368	0
Charges for Services	40,839	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	428,184	34,718	145,750	0
Interest	1,609	3,218	1,048	8,938
Gifts and Donations	0	0	0	0
Other	2,649	0	1,140	4,000
Total Revenues	473,281	37,936	226,306	12,938
<u>Expenditures</u>				
Current:				
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	447,946
Transportation	437,087	26,820	148,604	0
Total Expenditures	437,087	26,820	148,604	447,946
Excess of Revenues Over (Under) Expenditures	36,194	11,116	77,702	(435,008)
<u>Other Financing Sources</u>				
Transfers In	0	0	0	0
Change in Fund Balance	36,194	11,116	77,702	(435,008)
Fund Balance Beginning of Year	191,093	280,487	76,037	653,241
Fund Balance End of Year	<u>\$227,287</u>	<u>\$291,603</u>	<u>\$153,739</u>	<u>\$218,233</u>

Recreation	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Rudd Park Trust	Total
\$99,471	\$0	\$0	\$0	\$0	\$99,471
0	0	0	0	0	78,368
0	0	0	0	0	40,839
0	4,585	803	1,360	0	6,748
11,440	0	0	0	0	620,092
2,450	0	0	0	0	17,263
9,513	0	0	0	0	9,513
0	0	0	0	0	7,789
<u>122,874</u>	<u>4,585</u>	<u>803</u>	<u>1,360</u>	<u>0</u>	<u>880,083</u>
135,608	0	0	0	0	135,608
0	0	0	0	0	447,946
0	0	0	0	0	612,511
<u>135,608</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,196,065</u>
(12,734)	4,585	803	1,360	0	(315,982)
<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
27,266	4,585	803	1,360	0	(275,982)
<u>2,574</u>	<u>2,486</u>	<u>4,055</u>	<u>4,897</u>	<u>1,802</u>	<u>1,216,672</u>
<u>\$29,840</u>	<u>\$7,071</u>	<u>\$4,858</u>	<u>\$6,257</u>	<u>\$1,802</u>	<u>\$940,690</u>

City of Wapakoneta
 Combining Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2016

	Debt Service	Downtown Debt	Total
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	1,160	43,156	44,316
Fund Balance End of Year	\$1,160	\$43,156	\$44,316

City of Wapakoneta
Combining Statements - Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Dependent Coverage Fund

To account for funds deducted from employees' payroll for dependent, copayment, and COBRA insurance coverage.

Police Auxiliary Fund

To account for monies belonging to the police auxiliary, an organization that is not a part of the City of Wapakoneta.

City of Wapakoneta
Combining Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,705	\$230	\$0	\$2,935
<u>Liabilities</u>				
Undistributed Assets	\$2,705	\$230	\$0	\$2,935
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$6,811	\$10,362	\$0	\$17,173
<u>Liabilities</u>				
Undistributed Assets	\$6,811	\$10,362	\$0	\$17,173
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$9,516	\$10,592	\$0	\$20,108
<u>Liabilities</u>				
Undistributed Assets	\$9,516	\$10,592	\$0	\$20,108

**INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGE IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$366,502	\$366,502	\$375,053	\$8,551
Municipal Income Taxes	2,750,773	2,750,773	2,816,521	65,748
Other Local Taxes	881,000	881,000	818,215	(62,785)
Charges for Services	746,352	746,352	836,473	90,121
Fees, Licenses, and Permits	112,300	112,300	120,915	8,615
Fines and Forfeitures	14,000	14,000	19,877	5,877
Intergovernmental	205,084	205,084	263,088	58,004
Interest	10,500	10,500	52,228	41,728
Gifts and Donations	23,000	23,000	19,561	(3,439)
Other	44,600	44,600	65,935	21,335
Total Revenues	5,154,111	5,154,111	5,387,866	233,755
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,664,993	1,664,993	1,547,725	117,268
Contractual Services	161,979	164,022	133,113	30,909
Materials and Supplies	35,661	33,618	26,184	7,434
Capital Outlay	79,479	79,479	76,615	2,864
Total Police Department	1,942,112	1,942,112	1,783,637	158,475
Fire Department				
Personal Services	1,519,000	1,519,000	1,395,696	123,304
Contractual Services	83,144	83,819	68,820	14,999
Materials and Supplies	37,681	37,006	23,977	13,029
Capital Outlay	29,475	39,475	35,661	3,814
Total Fire Department	1,669,300	1,679,300	1,524,154	155,146
Safety Director				
Personal Services	5,500	5,500	0	5,500
Materials and Supplies	2,698	2,698	0	2,698
Total Safety Director	8,198	8,198	0	8,198
Total Security of Persons and Property	3,619,610	3,629,610	3,307,791	321,819
Public Health				
Emergency Medical				
Personal Services	82,800	82,800	58,875	23,925
Contractual Services	78,924	78,774	68,272	10,502
Materials and Supplies	16,145	16,295	13,277	3,018
Capital Outlay	30,603	40,603	38,730	1,873
Other	2,214	2,214	756	1,458
Total Emergency Medical	210,686	220,686	179,910	40,776

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Miscellaneous				
Contractual Services	\$10,000	\$10,000	\$521	\$9,479
Total Public Health	220,686	230,686	180,431	50,255
Leisure Time Activities				
Recreation				
Personal Services	125,500	137,700	137,487	213
Contractual Services	28,287	31,019	28,644	2,375
Materials and Supplies	69,100	84,578	84,246	332
Capital Outlay	19,750	19,750	19,635	115
Other	625	16	0	16
Total Leisure Time Activities	243,262	273,063	270,012	3,051
Community Environment				
Boards and Commissions				
Contractual Services	77,500	121,500	106,951	14,549
Materials and Supplies	21,600	21,600	20,635	965
Total Community Environment	99,100	143,100	127,586	15,514
General Government				
Council				
Personal Services	46,000	46,000	45,699	301
Materials and Supplies	5,000	5,380	5,380	0
Total Council	51,000	51,380	51,079	301
Clerk of Council				
Personal Services	4,000	4,000	4,467	(467)
Contractual Services	4,776	4,496	5,173	(677)
Materials and Supplies	100	0	0	0
Total Clerk of Council	8,876	8,496	9,640	(1,144)
Administrative				
Personal Services	90,500	90,500	86,980	3,520
Contractual Services	48,476	47,996	47,337	659
Materials and Supplies	66,534	67,014	59,727	7,287
Capital Outlay	7,000	7,000	880	6,120
Total Administrative	212,510	212,510	194,924	17,586

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$40,000	\$40,000	\$39,333	\$667
Contractual Services	62,000	73,000	67,668	5,332
Materials and Supplies	2,561	2,561	719	1,842
Total Finance	104,561	115,561	107,720	7,841
Income Tax				
Personal Services	76,400	76,400	75,099	1,301
Contractual Services	9,318	9,383	6,848	2,535
Materials and Supplies	12,365	12,300	10,365	1,935
Capital Outlay	2,000	2,000	880	1,120
Other	60,345	60,345	83,148	(22,803)
Total Income Tax	160,428	160,428	176,340	(15,912)
Law Director				
Personal Services	26,000	26,000	26,000	0
Contractual Services	1,000	700	0	700
Materials and Supplies	1,000	1,300	1,229	71
Total Law Director	28,000	28,000	27,229	771
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	8,000	7,800	259	7,541
Total Civil Service	9,200	9,000	1,259	7,741
Elections				
Contractual Services	1,200	1,600	1,284	316
Auglaize County				
Contractual Services	10,500	10,300	7,430	2,870
Administrative Support				
Other	398,734	323,734	0	323,734
Total General Government	985,009	921,009	576,905	344,104
Debt Service:				
Principal Retirement	41,631	41,631	41,631	0
Interest and Fiscal Charges	5,369	5,369	4,713	656
Total Debt Service	47,000	47,000	46,344	656
Total Expenditures	5,214,667	5,244,468	4,509,069	735,399
Excess of Revenues Over (Under) Expenditures	(60,556)	(90,357)	878,797	969,154

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Uses</u>				
Transfers Out	(\$740,000)	(\$740,000)	(\$740,000)	\$0
Change in Fund Balance	(800,556)	(830,357)	138,797	969,154
Fund Balance Beginning of Year	1,519,913	1,519,913	1,519,913	0
Prior Year Encumbrances Appropriated	64,612	64,612	64,612	0
Fund Balance End of Year	<u>\$783,969</u>	<u>\$754,168</u>	<u>\$1,723,322</u>	<u>\$969,154</u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$30,000	\$19,571	(\$10,429)
Intergovernmental	1,459,334	675,541	(783,793)
Interest	0	1,997	1,997
Other	12,026	12,026	0
Total Revenues	<u>1,501,360</u>	<u>709,135</u>	<u>(792,225)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	520,040	391,957	128,083
Materials and Supplies	8,000	2,835	5,165
Capital Outlay	1,226,735	1,108,847	117,888
Total Expenditures	<u>1,754,775</u>	<u>1,503,639</u>	<u>251,136</u>
Excess of Revenues Under Expenditures	(253,415)	(794,504)	(541,089)
<u>Other Financing Sources</u>			
Transfers In	700,000	700,000	0
Change in Fund Balance	446,585	(94,504)	(541,089)
Fund Balance (Deficit) Beginning of Year	(300,688)	(300,688)	0
Prior Year Encumbrances Appropriated	592,565	592,565	0
Fund Balance End of Year	<u><u>\$738,462</u></u>	<u><u>\$197,373</u></u>	<u><u>(\$541,089)</u></u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$17,609,421	\$15,708,909	(\$1,900,512)
Other Local Taxes	45,000	29,674	(15,326)
Utility Deposits	62,827	53,436	(9,391)
Other	59,700	184,730	125,030
Total Revenues	<u>17,776,948</u>	<u>15,976,749</u>	<u>(1,800,199)</u>
<u>Expenses</u>			
Personal Services	1,119,900	1,074,969	44,931
Contractual Services	15,766,037	14,478,598	1,287,439
Materials and Supplies	683,200	507,799	175,401
Capital Outlay	2,733,099	538,649	2,194,450
Utility Refunds	62,827	30,885	31,942
Other	1,647,883	59,112	1,588,771
Total Expenses	<u>22,012,946</u>	<u>16,690,012</u>	<u>5,322,934</u>
Change in Fund Balance	(4,235,998)	(713,263)	3,522,735
Fund Balance Beginning of Year	2,368,979	2,368,979	0
Prior Year Encumbrances Appropriated	<u>2,534,194</u>	<u>2,534,194</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$667,175</u></u>	<u><u>\$4,189,910</u></u>	<u><u>\$3,522,735</u></u>

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,969,704	\$1,974,361	\$4,657
Other	1,740	60	(1,680)
Total Revenues	<u>1,971,444</u>	<u>1,974,421</u>	<u>2,977</u>
<u>Expenses</u>			
Personal Services	509,000	465,463	43,537
Contractual Services	340,147	255,444	84,703
Materials and Supplies	580,073	462,370	117,703
Capital Outlay	451,217	195,502	255,715
Other	399,572	0	399,572
Debt Service:			
Principal Retirement	167,550	167,545	5
Interest Expense	398,450	315,824	82,626
Total Expenses	<u>2,846,009</u>	<u>1,862,148</u>	<u>983,861</u>
Change in Fund Balance	(874,565)	112,273	986,838
Fund Balance Beginning of Year	815,515	815,515	0
Prior Year Encumbrances Appropriated	<u>102,054</u>	<u>102,054</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$43,004</u></u>	<u><u>\$1,029,842</u></u>	<u><u>\$986,838</u></u>

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$4,322,297	\$3,490,019	(\$832,278)
OWDA Loan Proceeds	1,800,000	656,495	(1,143,505)
Interest	300	1,088	788
Other	1,000	22,030	21,030
Total Revenues	6,123,597	4,169,632	(1,953,965)
<u>Expenses</u>			
Personal Services	770,950	668,838	102,112
Contractual Services	601,463	478,380	123,083
Materials and Supplies	339,684	296,305	43,379
Capital Outlay	3,910,349	1,370,176	2,540,173
Other	73,895	10,094	63,801
Debt Service:			
Principal Retirement	941,040	853,025	88,015
Interest Expense	710,518	683,111	27,407
Total Expenses	7,347,899	4,359,929	2,987,970
Change in Fund Balance	(1,224,302)	(190,297)	1,034,005
Fund Balance Beginning of Year	1,914,438	1,914,438	0
Prior Year Encumbrances Appropriated	1,048,297	1,048,297	0
Fund Balance End of Year	\$1,738,433	\$2,772,438	\$1,034,005

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$208,193	\$156,643	(\$51,550)
Other	15,000	0	(15,000)
Total Revenues	<u>223,193</u>	<u>156,643</u>	<u>(66,550)</u>
<u>Expenses</u>			
Contractual Services	28,500	653	27,847
Materials and Supplies	13,000	8,055	4,945
Capital Outlay	384,713	118,047	266,666
Other	540,108	6,860	533,248
Total Expenses	<u>966,321</u>	<u>133,615</u>	<u>832,706</u>
Change in Fund Balance	(743,128)	23,028	766,156
Fund Balance Beginning of Year	705,715	705,715	0
Prior Year Encumbrances Appropriated	<u>37,413</u>	<u>37,413</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$766,156</u></u>	<u><u>\$766,156</u></u>

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,334,072	\$1,254,129	(\$79,943)
Other	875	3,696	2,821
Total Revenues	<u>1,334,947</u>	<u>1,257,825</u>	<u>(77,122)</u>
<u>Expenses</u>			
Personal Services	507,300	491,579	15,721
Contractual Services	679,724	603,704	76,020
Materials and Supplies	67,921	60,363	7,558
Capital Outlay	87,000	77,972	9,028
Other	66,073	0	66,073
Total Expenses	<u>1,408,018</u>	<u>1,233,618</u>	<u>174,400</u>
Change in Fund Balance	(73,071)	24,207	97,278
Fund Balance Beginning of Year	15,213	15,213	0
Prior Year Encumbrances Appropriated	<u>57,858</u>	<u>57,858</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$97,278</u></u>	<u><u>\$97,278</u></u>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$35,000	\$41,979	\$6,979
Intergovernmental	424,636	429,391	4,755
Interest	500	1,609	1,109
Other	500	12,795	12,295
Total Revenues	<u>460,636</u>	<u>485,774</u>	<u>25,138</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	337,450	284,902	52,548
Contractual Services	89,848	66,850	22,998
Materials and Supplies	92,628	63,398	29,230
Capital Outlay	71,276	19,007	52,269
Other	3,056	0	3,056
Total Expenditures	<u>594,258</u>	<u>434,157</u>	<u>160,101</u>
Change in Fund Balance	(133,622)	51,617	185,239
Fund Balance Beginning of Year	126,647	126,647	0
Prior Year Encumbrances Appropriated	<u>6,975</u>	<u>6,975</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$185,239</u></u>	<u><u>\$185,239</u></u>

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$31,000	\$34,816	\$3,816
Interest	1,500	3,218	1,718
Total Revenues	<u>32,500</u>	<u>38,034</u>	<u>5,534</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Contractual Services	64,000	0	64,000
Materials and Supplies	10,000	0	10,000
Capital Outlay	236,154	26,820	209,334
Total Expenditures	<u>310,154</u>	<u>26,820</u>	<u>283,334</u>
Change in Fund Balance	(277,654)	11,214	288,868
Fund Balance Beginning of Year	<u>277,654</u>	<u>277,654</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$288,868</u></u>	<u><u>\$288,868</u></u>

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$75,000	\$78,119	\$3,119
Intergovernmental	55,098	145,750	90,652
Interest	2,000	1,048	(952)
Other	0	1,140	1,140
Total Revenues	<u>132,098</u>	<u>226,057</u>	<u>93,959</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	30,000	0	30,000
Capital Outlay	155,098	153,702	1,396
Other	21,898	0	21,898
Total Expenditures	<u>206,996</u>	<u>153,702</u>	<u>53,294</u>
Change in Fund Balance	(74,898)	72,355	147,253
Fund Balance Beginning of Year	69,800	69,800	0
Prior Year Encumbrances Appropriated	<u>5,098</u>	<u>5,098</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$147,253</u>	<u>\$147,253</u>

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$6,000	\$3,910	(\$2,090)
Revolving Loan Payments	\$41,000	\$44,999	3,999
Other	0	4,000	4,000
	47,000	52,909	5,909
<u>Expenditures</u>			
Current:			
Community Environment			
Community Block Grant			
Contractual Services	527,892	450,598	77,294
	(480,892)	(397,689)	83,203
Change in Fund Balance			
Fund Balance Beginning of Year	480,892	480,892	0
Fund Balance End of Year	\$0	\$83,203	\$83,203

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$98,822	\$99,471	\$649
Intergovernmental	11,468	11,440	(28)
Interest	4,000	2,450	(1,550)
Gifts and Donations	0	9,513	9,513
Other	497	6,255	5,758
Total Revenues	114,787	129,129	14,342
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	92,000	85,492	6,508
Contractual Services	28,315	25,609	2,706
Materials and Supplies	20,972	20,225	747
Capital Outlay	14,090	13,500	590
Total Expenditures	155,377	144,826	10,551
Excess of Revenues Under Expenditures	(40,590)	(15,697)	24,893
<u>Other Financing Sources</u>			
Transfers In	40,000	40,000	0
Change in Fund Balance	(590)	24,303	24,893
Fund Balance Beginning of Year	21,300	21,300	0
Prior Year Encumbrances Appropriated	890	890	0
Fund Balance End of Year	\$21,600	\$46,493	\$24,893

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$0	\$4,585	\$4,585
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Personal Services	500	0	500
Materials and Supplies	1,986	0	1,986
Total Expenditures	2,486	0	2,486
Change in Fund Balance	(2,486)	4,585	7,071
Fund Balance Beginning of Year	2,486	2,486	0
Fund Balance End of Year	\$0	\$7,071	\$7,071

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$700	\$920	\$220
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education			
Materials and Supplies	2,000	0	2,000
Capital Outlay	2,638	0	2,638
Total Expenditures	4,638	0	4,638
Change in Fund Balance	(3,938)	920	4,858
Fund Balance Beginning of Year	3,938	3,938	0
Fund Balance End of Year	\$0	\$4,858	\$4,858

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,000	\$1,526	\$526
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	2,500	0	2,500
Capital Outlay	3,231	0	3,231
Total Expenditures	5,731	0	5,731
Change in Fund Balance	(4,731)	1,526	6,257
Fund Balance Beginning of Year	4,731	4,731	0
Fund Balance End of Year	\$0	\$6,257	\$6,257

City of Wapakoneta
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Rudd Park			
Materials and Supplies	1,802	0	1,802
Change in Fund Balance	(1,802)	0	1,802
Fund Balance Beginning of Year	1,802	1,802	0
Fund Balance End of Year	\$0	\$1,802	\$1,802

City of Wapakoneta
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	1,160	1,160	0
Fund Balance End of Year	\$1,160	\$1,160	\$0

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	43,156	43,156	0
Fund Balance End of Year	\$43,156	\$43,156	\$0

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Department			
Capital Outlay	189,996	0	189,996
Change in Fund Balance	(189,996)	0	189,996
Fund Balance Beginning of Year	189,996	189,996	0
Fund Balance End of Year	\$0	\$189,996	\$189,996

City of Wapakoneta
Engineering Internal Service Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2016

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$215,855	\$235,274	\$19,419
Licenses and Permits	14,200	21,849	7,649
Other	100	134	34
Total Revenues	<u>230,155</u>	<u>257,257</u>	<u>27,102</u>
<u>Expenses</u>			
Personal Services	213,550	201,200	12,350
Contractual Services	15,576	14,800	776
Materials and Supplies	11,230	10,150	1,080
Capital Outlay	1,500	1,159	341
Other	250	0	250
Total Expenses	<u>242,106</u>	<u>227,309</u>	<u>14,797</u>
Change in Fund Balance	(11,951)	29,948	41,899
Fund Balance Beginning of Year	11,095	11,095	0
Prior Year Encumbrances Appropriated	<u>856</u>	<u>856</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$41,899</u></u>	<u><u>\$41,899</u></u>

**STATISTICAL
SECTION**

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City of Wapakoneta
Statistical Section

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-32

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information.....S-41

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information.....S-44

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Wapakoneta
Net Position
Last Ten Years
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$21,571,664	\$21,944,652	\$21,180,841	\$21,411,432
Restricted for				
Debt Service	424	77	0	0
Capital Projects	292,553	132,894	1,103,853	1,175,919
Other Purposes	1,145,763	1,414,247	1,284,340	1,427,570
Unrestricted (Deficit)	<u>(2,006,605)</u>	<u>(1,739,121)</u>	<u>(1,843,855)</u>	<u>2,484,015</u>
Total Governmental Activities Net Position	<u>21,003,799</u>	<u>21,752,749</u>	<u>21,725,179</u>	<u>26,498,936</u>
Business-Type Activities				
Net Investment in Capital Assets	35,104,589	34,580,463	32,786,072	32,464,606
Restricted	1,255,353	1,254,595	1,256,749	1,258,937
Unrestricted	<u>9,460,399</u>	<u>7,963,497</u>	<u>9,010,157</u>	<u>9,831,047</u>
Total Business-Type Activities Net Position	<u>45,820,341</u>	<u>43,798,555</u>	<u>43,052,978</u>	<u>43,554,590</u>
Primary Government				
Net Investment in Capital Assets	56,676,253	56,525,115	53,966,913	53,876,038
Restricted	2,694,093	2,801,813	3,644,942	3,862,426
Unrestricted	<u>7,453,794</u>	<u>6,224,376</u>	<u>7,166,302</u>	<u>12,315,062</u>
Total Primary Government Net Position	<u>\$66,824,140</u>	<u>\$65,551,304</u>	<u>\$64,778,157</u>	<u>\$70,053,526</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$20,891,574	\$20,767,868	\$21,307,484	\$19,716,391	\$19,192,324	\$16,550,369
0	0	461,278	533,350	609,944	534,616
2,039,417	2,166,097	2,630,138	2,684,217	2,534,599	4,691,427
1,369,753	1,375,679	1,433,040	1,660,223	1,904,101	1,651,443
<u>2,885,648</u>	<u>3,266,843</u>	<u>2,788,840</u>	<u>3,115,472</u>	<u>4,051,240</u>	<u>3,718,111</u>
<u>27,186,392</u>	<u>27,576,487</u>	<u>28,620,780</u>	<u>27,709,653</u>	<u>28,292,208</u>	<u>27,145,966</u>
30,836,570	29,921,959	27,291,889	21,792,361	18,991,836	18,277,471
1,259,685	1,114,899	1,108,811	1,141,228	1,170,970	1,236,810
<u>9,353,383</u>	<u>9,881,292</u>	<u>11,761,858</u>	<u>14,886,023</u>	<u>15,898,729</u>	<u>15,364,398</u>
<u>41,449,638</u>	<u>40,918,150</u>	<u>40,162,558</u>	<u>37,819,612</u>	<u>36,061,535</u>	<u>34,878,679</u>
51,728,144	50,689,827	48,599,373	41,508,752	38,184,160	34,827,840
4,668,855	4,656,675	5,633,267	6,019,018	6,219,614	8,114,296
<u>12,239,031</u>	<u>13,148,135</u>	<u>14,550,698</u>	<u>18,001,495</u>	<u>19,949,969</u>	<u>19,082,509</u>
<u>\$68,636,030</u>	<u>\$68,494,637</u>	<u>\$68,783,338</u>	<u>\$65,529,265</u>	<u>\$64,353,743</u>	<u>\$62,024,645</u>

City of Wapakoneta
Change in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015	2014	2013
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$1,922,596	\$1,760,195	\$1,613,384	\$1,516,675
Fire	1,917,941	1,616,058	1,514,617	1,503,565
Other	0	2,833	4,426	5,004
Public Health	175,745	193,759	162,403	180,131
Leisure Time Activities	484,211	431,140	484,814	463,263
Community Environment	131,753	91,948	126,153	86,893
Transportation	1,861,607	1,341,215	1,911,883	2,317,993
General Government	594,651	541,709	594,323	515,084
Interest and Fiscal Charges	6,508	10,379	8,219	17,988
Total Governmental Activities Expenses	7,095,012	5,989,236	6,420,222	6,606,596
Business-Type Activities				
Electric	15,693,356	16,139,240	15,259,517	15,277,737
Water	1,950,485	2,215,944	2,041,383	1,813,945
Sewer	2,528,933	2,666,829	1,978,245	2,161,928
Storm Sewer	123,464	221,359	155,091	142,646
Refuse	1,145,654	963,583	1,102,022	1,089,290
Total Business-Type Activities Expenses	21,441,892	22,206,955	20,536,258	20,485,546
Total Primary Government Expenses	28,536,904	28,196,191	26,956,480	27,092,142
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	55,003	6,820	5,117	7,004
Fire	63,002	50,320	48,522	50,380
Public Health	714,370	476,706	398,918	523,208
Leisure Time Activities	247,800	211,839	195,415	203,119
Transportation	107,248	148,011	104,608	158,633
General Government	20,243	17,604	16,148	33,287
Total Charges for Services	1,207,666	911,300	768,728	975,631
Operating Grants, Contributions, and Interest	659,296	541,534	509,078	635,984
Capital Grants and Contributions	410,366	1,537,762	606,014	1,923,549
Total Governmental Activities Program Revenues	2,277,328	2,990,596	1,883,820	3,535,164
Business-Type Activities				
Charges for Services				
Electric	16,033,338	14,861,386	14,818,934	14,383,981
Water	2,014,148	1,870,405	1,825,871	1,724,995
Sewer	3,503,012	3,316,260	3,258,877	3,127,622
Storm Sewer	156,591	161,136	155,904	155,599
Refuse	1,252,322	1,235,415	1,214,454	1,108,914
Total Charges for Services	22,959,411	21,444,602	21,274,040	20,501,111
Operating Grants, Contributions, and Interest	0	0	0	0
Capital Grants and Contributions	0	0	246,836	0
Total Business-Type Activities Program Revenues	22,959,411	21,444,602	21,520,876	20,501,111
Total Primary Government Program Revenues	25,236,739	24,435,198	23,404,696	24,036,275

2012	2011	2010	2009	2008	2007
\$1,545,559	\$1,584,868	\$1,443,241	\$1,468,762	\$1,353,354	\$1,283,549
1,494,511	1,353,865	1,429,639	1,617,800	1,287,195	1,189,033
4,557	8,492	15,744	15,744	27,849	14,584
172,130	177,297	198,272	194,857	231,505	231,311
433,670	492,736	452,815	412,328	304,089	217,175
84,148	116,039	88,867	137,689	109,785	87,005
2,049,319	2,236,189	1,366,298	1,366,920	1,312,919	1,212,316
510,071	512,540	559,760	705,023	496,979	568,638
38,654	49,942	63,692	87,500	70,941	82,806
<u>6,332,619</u>	<u>6,531,968</u>	<u>5,618,328</u>	<u>6,006,623</u>	<u>5,194,616</u>	<u>4,886,417</u>
13,550,781	14,371,849	13,905,809	13,411,381	14,456,015	15,018,241
1,758,911	1,843,734	921,970	827,854	1,084,075	1,022,962
2,241,662	2,171,320	2,235,926	2,927,271	2,231,009	2,095,884
271,419	114,124	91,075	85,127	83,831	71,239
1,113,500	1,053,317	1,080,264	1,005,233	1,022,632	1,413,105
<u>18,936,273</u>	<u>19,554,344</u>	<u>18,235,044</u>	<u>18,256,866</u>	<u>18,877,562</u>	<u>19,621,431</u>
<u>25,268,892</u>	<u>26,086,312</u>	<u>23,853,372</u>	<u>24,263,489</u>	<u>24,072,178</u>	<u>24,507,848</u>
6,946	8,473	7,786	9,456	8,911	10,723
53,961	50,157	45,091	43,616	41,361	42,190
504,789	413,758	287,206	380,940	302,651	371,603
259,592	228,629	249,666	197,945	121,592	250
83,734	94,715	250,147	223,294	231,173	156,627
11,970	23,581	20,145	39,969	36,549	33,621
<u>920,992</u>	<u>819,313</u>	<u>860,041</u>	<u>895,220</u>	<u>742,237</u>	<u>615,014</u>
524,997	582,636	632,254	608,906	863,897	739,172
837,654	572,510	1,493,506	426,237	285,219	2,150,030
<u>2,283,643</u>	<u>1,974,459</u>	<u>2,985,801</u>	<u>1,930,363</u>	<u>1,891,353</u>	<u>3,504,216</u>
13,443,956	14,410,686	14,824,354	14,731,146	14,705,519	14,907,663
1,607,652	1,560,401	1,619,474	1,651,348	1,609,240	1,544,797
2,716,328	2,415,413	1,983,565	1,789,863	1,845,275	1,888,360
154,668	154,095	155,831	158,771	156,374	155,588
1,106,281	1,114,270	1,070,336	1,085,472	1,112,113	1,085,587
<u>19,028,885</u>	<u>19,654,865</u>	<u>19,653,560</u>	<u>19,416,600</u>	<u>19,428,521</u>	<u>19,581,995</u>
0	0	0	0	0	0
0	0	247,321	0	0	0
<u>19,028,885</u>	<u>19,654,865</u>	<u>19,900,881</u>	<u>19,416,600</u>	<u>19,428,521</u>	<u>19,581,995</u>
<u>21,312,528</u>	<u>21,629,324</u>	<u>22,886,682</u>	<u>21,346,963</u>	<u>21,319,874</u>	<u>23,086,211</u>

City of Wapakoneta
Change in Net Position
Last Ten Years
(continued)
(Accrual Basis of Accounting)

	2016	2015	2014	2013
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$4,817,684)	(\$2,998,640)	(\$4,536,402)	(\$3,071,432)
Business-Type Activities	1,517,519	(762,353)	984,618	15,565
Total Primary Government Net Expense	(3,300,165)	(3,760,993)	(3,551,784)	(3,055,867)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	372,286	369,966	362,175	356,365
Property Taxes Levied for Recreation	99,006	97,698	95,171	92,535
Municipal Income Taxes	2,605,349	2,645,764	2,602,279	2,590,749
Other Local Taxes	822,341	877,632	722,090	686,875
Grants and Entitlements not Restricted to Specific Programs	255,631	256,699	254,085	249,320
Franchise Taxes	119,516	79,168	144,915	83,156
Interest	53,915	10,215	15,376	13,721
Gifts and Donations	17,893	57,483	1,040	2,639
Other	59,600	73,657	58,133	80,453
Gain on Sale of Investment	0	0	0	0
Transfers	(336,803)	(1,442,072)	(26,000)	(1,771,837)
Total Governmental Activities	4,068,734	3,026,210	4,229,264	2,383,976
Business-Type Activities				
Interest	1,088	564	0	0
Other	166,376	65,294	78,660	317,550
Transfers	336,803	1,442,072	26,000	1,771,837
Total Business-Type Activities	504,267	1,507,930	104,660	2,089,387
Total Primary Government	4,573,001	4,534,140	4,333,924	4,473,363
<u>Change in Net Position</u>				
Governmental Activities	(748,950)	27,570	(307,138)	(687,456)
Business-Type Activities	2,021,786	745,577	1,089,278	2,104,952
Total Primary Government Change in Net Position	\$1,272,836	\$773,147	\$782,140	\$1,417,496

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2012	2011	2010	2009	2008	2007
(\$4,048,976)	(\$4,557,509)	(\$2,632,527)	(\$4,076,260)	(\$3,303,263)	(\$1,382,201)
92,612	100,521	1,665,837	1,159,734	550,959	(39,436)
(3,956,364)	(4,456,988)	(966,690)	(2,916,526)	(2,752,304)	(1,421,637)
373,447	369,263	376,810	365,898	376,258	382,346
88,625	92,756	95,200	92,532	100,267	103,445
2,280,139	2,271,225	2,244,992	2,163,600	2,419,511	2,286,433
651,985	642,164	645,090	604,597	666,801	702,847
454,557	550,652	585,145	571,917	736,776	699,524
86,280	83,736	85,710	70,776	67,136	50,369
32,570	35,706	75,658	123,591	522,389	919,480
1,772	1,374	5,663	9,671	59,095	8,352
87,243	48,596	76,118	48,787	47,323	30,384
0	0	0	0	0	758,441
(397,737)	(582,256)	(646,732)	(557,664)	(546,051)	(427,882)
3,658,881	3,513,216	3,543,654	3,493,705	4,449,505	5,513,739
29	7	1	2	19,753	59,555
41,110	72,808	30,376	40,677	66,093	93,043
397,737	582,256	646,732	557,664	546,051	427,882
438,876	655,071	677,109	598,343	631,897	580,480
4,097,757	4,168,287	4,220,763	4,092,048	5,081,402	6,094,219
(390,095)	(1,044,293)	911,127	(582,555)	1,146,242	4,131,538
531,488	755,592	2,342,946	1,758,077	1,182,856	541,044
\$141,393	(\$288,701)	\$3,254,073	\$1,175,522	\$2,329,098	\$4,672,582

City of Wapakoneta
Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	113,227	80,527	86,112	87,798
Restricted	2,948	2,698	10,154	10,154
Assigned	1,254,981	765,135	709,905	71,374
Unassigned	<u>691,667</u>	<u>1,053,284</u>	<u>862,133</u>	<u>1,671,656</u>
Total General Fund	<u>2,062,823</u>	<u>1,901,644</u>	<u>1,668,304</u>	<u>1,840,982</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	24,311	28,217	30,778	29,308
Restricted	1,177,516	1,201,241	2,084,349	1,920,873
Assigned	233,152	233,152	402,702	277,702
Unassigned (Deficit)	<u>0</u>	<u>(1,389)</u>	<u>(16,307)</u>	<u>(126,225)</u>
Total All Other Governmental Funds	<u>1,434,979</u>	<u>1,461,221</u>	<u>2,501,522</u>	<u>2,101,658</u>
Total Governmental Funds	<u><u>\$3,497,802</u></u>	<u><u>\$3,362,865</u></u>	<u><u>\$4,169,826</u></u>	<u><u>\$3,942,640</u></u>

Note: The City implemented GASB Statement No. 54 in 2011.

2012	2011	2010	2009	2008	2007
\$0	\$0	\$122,631	\$138,697	\$159,606	\$204,428
0	0	2,077,148	2,546,481	3,169,890	2,838,888
85,291	48,027	n/a	n/a	n/a	n/a
18,517	18,457	n/a	n/a	n/a	n/a
237,724	244,541	n/a	n/a	n/a	n/a
1,603,958	2,035,875	n/a	n/a	n/a	n/a
1,945,490	2,346,900	2,199,779	2,685,178	3,329,496	3,043,316
0	0	811,189	330,711	465,171	1,859,426
0	0	1,081,987	1,265,764	1,392,222	1,078,936
0	0	467,448	539,473	609,729	520,071
0	0	1,539,432	2,177,385	1,617,466	1,384,703
30,129	31,950	n/a	n/a	n/a	n/a
2,700,149	2,954,653	n/a	n/a	n/a	n/a
723,004	698,244	n/a	n/a	n/a	n/a
(456,253)	0	n/a	n/a	n/a	n/a
2,997,029	3,684,847	3,900,056	4,313,333	4,084,588	4,843,136
\$4,942,519	\$6,031,747	\$6,099,835	\$6,998,511	\$7,414,084	\$7,886,452

City of Wapakoneta
Change in Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013
<u>Revenues</u>				
Property Taxes	\$474,524	\$465,520	\$458,036	\$453,266
Municipal Income Taxes	2,812,389	2,665,795	2,594,506	2,415,109
Other Local Taxes	900,709	954,248	797,205	780,110
Special Assessments	20,204	27,686	39,784	52,670
Charges for Services	874,832	751,539	750,578	711,028
Fees, Licenses, and Permits	120,915	113,940	134,013	103,076
Fines and Forfeitures	25,573	20,355	15,086	18,785
Intergovernmental	1,362,908	2,242,652	1,169,747	3,247,382
Interest	71,488	36,981	25,239	36,097
Gifts and Donations	29,074	73,028	19,171	10,508
Other	58,640	73,657	58,133	72,016
Total Revenues	6,751,256	7,425,401	6,061,498	7,900,047
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,698,831	1,608,199	1,714,844	1,507,378
Fire	1,566,585	1,726,979	1,481,619	1,927,319
Other	0	4,504	4,792	4,685
Public Health	161,023	177,468	149,970	159,821
Leisure Time Activities	400,724	363,140	410,517	389,085
Community Environment	571,094	94,072	126,163	93,366
Transportation	1,574,351	3,634,852	1,341,304	3,916,917
General Government	564,628	531,671	579,587	498,250
Debt Service:				
Principal Retirement	72,228	80,503	82,656	273,007
Interest and Fiscal Charges	6,855	10,974	8,789	19,251
Total Expenditures	6,616,319	8,232,362	5,900,241	8,789,079
Excess of Revenues Over (Under) Expenditures	134,937	(806,961)	161,257	(889,032)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	26,760
Loans Issued	0	0	0	0
Inception of Capital Lease	0	0	91,929	0
Gain on Sale of Investments	0	0	0	0
Transfers In	740,000	640,000	791,225	747,893
Transfers Out	(740,000)	(640,000)	(817,225)	(885,500)
Total Other Financing Sources (Uses)	0	0	65,929	(110,847)
Change in Fund Balance	\$134,937	(\$806,961)	\$227,186	(\$999,879)
Debt Service as a Percentage of Noncapital Expenditures	1.34%	1.46%	1.64%	4.02%

2012	2011	2010	2009	2008	2007
\$459,863	\$467,205	\$472,312	\$454,699	\$475,488	\$485,855
2,262,379	2,230,352	2,171,986	2,138,100	2,343,504	2,330,159
705,308	707,507	718,141	744,078	739,543	775,349
57,956	49,364	108,280	79,745	113,600	99,838
774,341	686,888	673,656	624,096	534,173	383,477
87,538	90,097	82,112	98,226	84,803	58,235
13,412	21,706	21,292	21,495	26,414	28,153
1,272,298	2,111,174	2,385,316	1,985,445	2,352,860	1,429,731
50,039	78,486	101,299	167,697	638,987	1,385,496
16,222	4,794	30,264	51,756	306,596	29,040
87,243	48,596	76,348	48,557	47,323	29,805
<u>5,786,599</u>	<u>6,496,169</u>	<u>6,841,006</u>	<u>6,413,894</u>	<u>7,663,291</u>	<u>7,035,138</u>
1,550,757	1,569,832	1,423,412	1,498,398	1,335,039	1,275,070
1,461,318	1,283,633	1,406,482	1,771,274	1,228,768	1,157,457
4,592	8,166	15,472	14,842	27,847	14,333
143,550	147,474	172,208	171,546	270,897	218,356
357,705	452,069	389,487	425,862	1,874,381	283,512
81,344	111,158	82,067	136,721	105,721	75,643
2,396,004	1,635,535	3,037,581	1,651,528	1,790,505	1,128,899
491,108	489,958	536,168	679,793	474,176	1,129,757
261,167	376,099	365,342	358,346	449,624	454,074
28,938	41,045	52,045	74,109	61,042	73,146
<u>6,776,483</u>	<u>6,114,969</u>	<u>7,480,264</u>	<u>6,782,419</u>	<u>7,618,000</u>	<u>5,810,247</u>
<u>(989,884)</u>	<u>381,200</u>	<u>(639,258)</u>	<u>(368,525)</u>	<u>45,291</u>	<u>1,224,891</u>
0	0	3,100	1,531	0	4,201
0	0	54,955	368,662	0	0
0	0	0	0	0	0
0	0	0	0	0	758,441
1,044,156	1,052,712	919,852	907,759	1,147,341	1,751,741
<u>(1,143,500)</u>	<u>(1,502,000)</u>	<u>(1,237,325)</u>	<u>(1,325,000)</u>	<u>(1,665,000)</u>	<u>(2,270,161)</u>
<u>(99,344)</u>	<u>(449,288)</u>	<u>(259,418)</u>	<u>(47,048)</u>	<u>(517,659)</u>	<u>244,222</u>
<u>(\$1,089,228)</u>	<u>(\$68,088)</u>	<u>(\$898,676)</u>	<u>(\$415,573)</u>	<u>(\$472,368)</u>	<u>\$1,469,113</u>
5.05%	7.81%	7.56%	7.68%	10.18%	11.15%

City of Wapakoneta
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property				Public Utility Personal Property		
	Assessed Value			Total Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Public Utility				
2016	\$107,511,780	\$44,587,200	\$66,420	\$152,165,400	\$434,758,286	\$3,262,400	\$3,707,273
2015	106,495,310	44,517,970	65,790	151,079,070	431,654,486	1,122,690	1,275,784
2014	105,469,010	45,237,190	64,720	150,770,920	430,774,057	1,120,460	1,273,250
2013	104,962,290	46,822,260	62,380	151,846,930	433,848,371	1,055,660	1,199,614
2012	104,390,450	47,087,190	74,990	151,552,630	433,007,514	426,650	484,830
2011	108,463,200	45,560,200	66,570	154,089,970	440,257,057	412,220	468,432
2010	107,696,140	45,716,950	61,680	153,474,770	438,499,343	401,430	456,170
2009	108,578,130	47,073,300	87,780	155,739,210	444,969,171	577,790	656,580
2008	99,932,540	43,264,780	46,920	143,244,240	409,269,257	584,380	664,068
2007	98,356,360	41,575,210	43,590	139,975,160	399,929,029	3,300,180	3,750,205

Source: Auglaize County Auditor

- (1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented. See S-14 for the direct rate by property type.

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax has been phased out. During the phase out period, the assessment percentage was 12.5 percent for 2007, 6.25 for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been collected since 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed.

Tangible Personal Property		Total		Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$0	\$0	\$155,427,800	\$438,465,559	\$3.46
0	0	152,201,760	432,930,270	3.46
0	0	151,891,380	432,047,307	3.46
0	0	152,902,590	435,047,985	3.46
0	0	151,979,280	433,492,344	3.44
0	0	154,502,190	440,725,489	3.43
434,390	434,390	154,310,590	439,389,903	3.43
868,780	868,780	157,185,780	446,494,531	3.43
4,227,152	67,634,432	148,055,772	477,567,757	3.45
8,454,304	67,634,432	151,729,644	471,313,666	3.47

City of Wapakoneta
Property Tax Rates - Direct and All Overlapping Governments
Per \$1,000 of Assessed Values
Last Ten Years

Collection Year	2016	2015	2014	2013
Voted Millage				
Recreation				
Effective Millage Rates				
Residential/Agriculture	\$0.6236	\$0.6236	\$0.6246	\$0.6274
Commercial/Industrial	0.9010	0.9010	0.9011	0.8902
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Unvoted Millage				
General	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agriculture	3.3736	3.3736	3.3746	3.3774
Commercial/Industrial	3.6510	3.6510	3.6511	3.6402
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.4612	3.4584	3.4606	3.4606
Auglaize County	12.7500	12.7500	12.7500	11.7500
Wapakoneta City School District	30.6000	30.6000	31.3000	31.3000
Apollo Career Center	3.0000	3.3400	3.4400	3.4400
Duchouquet Township	0.2000	0.2000	0.2000	0.2000

Source: Auglaize County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can only be increased by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City of Wapakoneta. Property tax rates for all overlapping governments are based upon the original voted levy.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$0.6261	\$0.5995	\$0.5995	\$0.5989	\$0.5989	\$0.6299
0.8430	0.8555	0.8555	0.8441	0.8693	0.8607
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.1500	2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>
<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>
3.3761	3.3495	3.3495	3.3489	3.3489	3.3799
3.5930	3.6055	3.6055	3.5941	3.6193	3.6107
3.7500	3.7500	3.7500	3.7500	3.7500	3.7500
3.4445	3.4262	3.4276	3.4262	3.4477	3.4719
11.7500	11.7500	11.7500	11.7500	11.7500	11.7500
31.3000	31.3000	31.3000	31.3000	31.3000	31.3000
2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000	0.2000

City of Wapakoneta
Real Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2016	\$534,164	\$10,807	\$544,971	\$517,836	96.94%
2015	522,607	14,503	537,110	514,134	98.38
2014	521,688	138,065	659,753	504,208	95.11
2013	523,622	19,687	543,309	501,674	95.19
2012	519,540	16,967	725,851	504,972	95.96
2011	591,313	19,618	727,166	514,116	94.32
2010	599,891	33,657	724,910	505,905	95.52
2009	610,363	19,274	750,158	493,080	95.14
2008	568,164	37,145	740,663	480,038	97.05
2007	569,746	22,694	592,440	461,866	96.42

Source: Auglaize County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

(2) Amounts listed include penalties and interest.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
\$8,122	\$525,958	96.51%	\$2,685	0.49%
11,040	525,174	97.78	3,463	0.64
13,355	517,563	91.35	4,490	8.30
10,832	512,506	92.00	8,855	7.03
10,329	515,301	93.61	6,638	6.07
13,130	527,246	72.51	6,489	6.78
21,859	527,764	72.80	11,798	6.08
11,207	504,287	67.22	8,067	5.68
30,116	510,154	68.88	7,030	4.82
15,257	477,123	80.54	7,437	4.55

City of Wapakoneta
Principal Real Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2016		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$2,376,500	1	1.58%
Lowes Home Centers, Inc.	Retail Business	1,726,530	2	1.13
Ametek, Inc.	Plastic Compounds	1,315,230	3	0.86
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,232,890	4	0.81
GAMCO Components Group LLC	Automotive Suspension Manufacturing	1,137,500	5	0.75
DW 28 Wapakoneta LLC	Retail Business	1,080,400	6	0.71
Schlenker Enterprises	Land Developments and Apartments	1,026,220	7	0.67
Quaker Run Farms	Warehousing and Distribution	992,550	8	0.65
Mid America Properties	Residential Apartments	866,920	9	0.57
Miller's Textile Services, Inc.	Uniform Rentals	822,590	10	0.54
Normandy Ridge Limited	Residential Apartments			
Dr. L. Y. Soo	Individual Property Owner			
	Total	12,577,330		8.27
	All Other Taxpayers	139,588,070		91.73
	Total Assessed Valuation	<u>\$152,165,400</u>		<u>100.00%</u>

Source: Auglaize County Auditor

2007		
Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$3,387,440	1	2.42%
1,164,360	4	0.83
1,081,660	6	0.77
2,398,890	2	1.71
1,097,780	5	0.78
1,885,650	3	1.35
987,150	7	0.71
844,160	9	0.60
858,600	8	0.62
735,550	10	0.53
14,441,240		10.32
125,533,920		89.68
<u>\$139,975,160</u>		<u>100.00%</u>

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City of Wapakoneta
Income Tax Revenue Base and Collections
Last Ten Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2016	1.00%	\$2,605,349	\$1,959,370	75.21%	\$304,085	11.67%	\$341,894	13.12%
2015	1.00	2,645,764	2,219,838	83.90	226,223	8.55	199,703	7.55
2014	1.00	2,602,279	2,459,828	94.53	129,418	4.97	13,033	0.50
2013	1.00	2,590,749	2,015,566	77.80	295,940	11.42	279,243	10.78
2012	1.00	2,280,139	1,986,930	87.14	144,118	6.32	149,091	6.54
2011	1.00	2,271,225	1,693,982	74.59	232,213	10.22	345,030	15.19
2010	1.00	2,244,992	1,831,471	81.58	143,612	6.40	269,909	12.02
2009	1.00	2,163,600	1,706,006	78.85	119,471	5.52	338,123	15.63
2008	1.00	2,419,511	1,843,971	76.21	228,064	9.43	347,476	14.36
2007	1.00	2,286,433	1,794,095	78.47	169,089	7.40	323,249	14.13

Source: City Records

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Kilowatt Hours Purchased from:					
American Electric Power	0	0	0	0	0
AMP-Ohio	191,214,926	199,918,896	202,219,618	195,926,166	186,176,513
Solar Planet	3,772,124	3,755,014	3,759,567	1,396,868	0
Total Kilowatt Hours Purchased	<u><u>194,987,050</u></u>	<u><u>203,673,910</u></u>	<u><u>205,979,185</u></u>	<u><u>197,323,034</u></u>	<u><u>186,176,513</u></u>
Payments for Purchased Power to:					
American Electric Power	\$0	\$0	\$0	\$0	\$0
AMP-Ohio	12,699,695	12,101,040	12,388,027	12,125,226	11,076,435
Solar Planet	291,028	278,912	268,363	97,781	0
Total Payments for Purchased Power	<u><u>\$12,990,723</u></u>	<u><u>\$12,379,952</u></u>	<u><u>\$12,656,390</u></u>	<u><u>\$12,223,007</u></u>	<u><u>\$11,076,435</u></u>
Kilowatt Hours Sold to Users					
Residential	49,392,226	49,280,300	49,954,412	48,670,513	49,046,019
Commercial	51,438,287	53,645,140	54,550,253	55,505,734	51,663,059
Industrial	84,614,380	91,507,360	90,524,080	81,355,860	74,799,100
Total Kilowatt Hours Sold to Users	<u><u>185,444,893</u></u>	<u><u>194,432,800</u></u>	<u><u>195,028,745</u></u>	<u><u>185,532,107</u></u>	<u><u>175,508,178</u></u>
Charges for Kilowatt Hours Sold to Users					
Residential	\$4,752,885	\$4,465,330	\$4,405,323	\$4,247,295	\$4,207,297
Commercial	5,307,928	5,233,331	5,175,088	5,239,272	4,837,440
Industrial	6,513,716	6,061,489	5,836,043	5,513,562	5,080,856
Total Dollar Amount of Kilowatt Hours Sold to Users	<u><u>\$16,574,529</u></u>	<u><u>\$15,760,150</u></u>	<u><u>\$15,416,454</u></u>	<u><u>\$15,000,129</u></u>	<u><u>\$14,125,593</u></u>

Rate

Residential		
Service Charge (base)	\$2.50	per month
Energy Charge:		
0 - 750 kwh	\$0.092	per kwh
751 - 9,999,999 kwh	\$0.084	per kwh
Commercial		
Service Charge (base)	\$10.00	per month
Demand:		
First 5 kwh	No Charge	
6 - 9,999,999 kwh	\$6.00	per kwh
Energy Charge:		
First 1,000 kwh	\$0.1085	per kwh
1,001 - 9,999,999 kwh	\$0.0785	per kwh
Industrial (Large Power)		
Service Charge (base)	\$100.00	per month
Demand	\$18.00	per kwh
Energy Charge	\$0.0340	per kwh

Source: City Records

Note: Charges for kilowatt hours sold are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Change in Fund Net Position.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
0	0	0	0	197,661,771
180,959,049	182,091,811	170,099,880	191,475,666	4,149,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>180,959,049</u>	<u>182,091,811</u>	<u>170,099,880</u>	<u>191,475,666</u>	<u>201,810,771</u>
\$0	\$0	\$0	\$11,197	\$13,344,311
11,968,304	12,224,095	11,750,318	12,608,416	146,348
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$11,968,304</u>	<u>\$12,224,095</u>	<u>\$11,750,318</u>	<u>\$12,619,613</u>	<u>\$13,490,659</u>
50,710,995	51,220,653	48,207,823	49,579,753	50,710,462
53,536,889	54,671,941	51,504,966	54,894,606	59,434,626
<u>68,122,540</u>	<u>67,158,540</u>	<u>60,748,180</u>	<u>73,796,880</u>	<u>78,444,120</u>
<u>172,370,424</u>	<u>173,051,134</u>	<u>160,460,969</u>	<u>178,271,239</u>	<u>188,589,208</u>
\$4,730,277	\$4,816,497	\$4,619,968	\$4,420,838	\$4,324,976
5,390,470	5,566,648	5,364,868	5,355,024	5,510,541
<u>5,223,424</u>	<u>5,201,984</u>	<u>5,013,166</u>	<u>5,503,887</u>	<u>5,511,166</u>
<u>\$15,344,171</u>	<u>\$15,585,129</u>	<u>\$14,998,002</u>	<u>\$15,279,749</u>	<u>\$15,346,683</u>

City of Wapakoneta
Water Utility Statistics
Last Ten Years

Type of Customer	2016	2015	2014	2013	2012
Residential	\$1,247,623	\$1,168,845	\$1,120,415	\$1,090,272	\$1,037,648
Industrial	402,659	348,555	354,636	313,989	273,445
Commercial	326,741	315,901	302,352	286,194	262,502
Total Billed	\$1,977,023	\$1,833,301	\$1,777,403	\$1,690,455	\$1,573,595
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$10.36	\$9.87	\$9.40	\$8.95	\$8.52
201 - 1,300	4.36	4.15	3.95	3.76	3.58
1,301 - 6,100	3.64	3.46	3.30	3.14	2.99
6,101 - 22,800	2.95	2.81	2.68	2.55	2.43
22,801 and up	2.67	2.55	2.43	2.31	2.19
Multi Residential					
0 - 200	\$10.36	\$9.87	\$9.40	\$8.95	\$8.52
Each Additional 100	4.22	4.02	3.83	3.65	3.48

Outside Rates add 200%

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Change in Fund Net Position.

2011	2010	2009	2008	2007
\$1,012,829	\$1,029,780	\$1,048,899	\$977,828	\$931,953
270,269	291,804	274,435	312,965	310,036
263,642	277,948	280,266	270,467	271,697
<u>\$1,546,740</u>	<u>\$1,599,532</u>	<u>\$1,603,600</u>	<u>\$1,561,260</u>	<u>\$1,513,686</u>

\$7.72	\$7.72	\$7.72	\$7.72	\$7.14
3.25	3.25	3.25	3.25	3.01
2.71	2.71	2.71	2.71	2.51
2.20	2.20	2.20	2.20	2.04
1.99	1.99	1.99	1.99	1.84
\$7.72	\$7.72	\$7.72	\$7.72	\$7.14
3.15	3.15	3.15	3.15	2.91

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

Type of Customer	2016	2015	2014	2013	2012
Residential	\$1,261,962	\$1,214,430	\$1,184,334	\$1,167,565	\$1,158,891
Commercial	347,329	338,763	326,180	328,079	308,411
Industrial	678,411	515,794	536,659	420,142	347,512
Total Billed	<u>\$2,287,702</u>	<u>\$2,068,987</u>	<u>\$2,047,173</u>	<u>\$1,915,786</u>	<u>\$1,814,814</u>

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$13.20	\$12.83	\$12.45	\$12.10	\$11.74
Commercial	13.20	12.83	12.45	12.10	11.74
Industrial	13.20	12.83	12.45	12.10	11.74

Additional per 100 Cubic Feet:

Residential	\$3.86	\$3.74	\$3.64	\$3.53	\$3.43
Commercial	4.15	4.03	3.91	3.80	3.69
Industrial	3.86	3.74	3.64	3.53	3.43

Outside Rates add 115%

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Change in Fund Net Position.

2011	2010	2009	2008	2007
\$1,123,865	\$1,081,696	\$1,051,463	\$1,035,296	\$1,045,093
318,190	307,324	291,326	300,312	318,508
370,480	393,287	400,621	473,693	512,977
<u>\$1,812,535</u>	<u>\$1,782,307</u>	<u>\$1,743,410</u>	<u>\$1,809,301</u>	<u>\$1,876,578</u>

\$11.40	\$11.07	\$10.20	\$10.05	\$9.90
11.40	11.07	10.20	10.05	9.90
11.40	11.07	10.20	10.05	9.90

\$3.33	\$3.23	\$2.98	\$2.93	\$2.89
3.58	3.48	3.21	3.16	3.11
3.33	3.23	2.98	2.93	2.89

City of Wapakoneta
Storm Sewer Utility Statistics
Last Ten Years

Type of Customer	2016	2015	2014	2013	2012
Residential	\$99,528	\$99,408	\$89,856	\$89,256	\$88,846
Commercial/Industrial	56,166	55,353	64,905	64,883	64,942
Total Billed	\$155,694	\$154,761	\$154,761	\$154,139	\$153,788

Rates:

Residential: \$2 per month

Commercial/Industrial:

Area of Property (square feet)	Monthly Fee
1 to 10,000	\$4
10,001 to 25,000	7
25,001 to 50,000	10
50,001 to 100,000	20
100,000 and over	40

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Change in Fund Net Position.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$87,912	\$87,960	\$87,722	\$87,772	\$87,348
<u>65,389</u>	<u>68,249</u>	<u>68,133</u>	<u>66,802</u>	<u>67,425</u>
<u><u>\$153,301</u></u>	<u><u>\$156,209</u></u>	<u><u>\$155,855</u></u>	<u><u>\$154,574</u></u>	<u><u>\$154,773</u></u>

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

Type of Customer	2016	2015	2014	2013	2012
Residential	\$489,186	\$466,974	\$440,092	\$416,494	\$414,011
Commercial/Industrial	187,969	190,931	185,454	186,212	182,251
Bag Sales (all customers)	337,780	331,875	334,125	288,750	288,738
Total	\$1,014,935	\$989,780	\$959,671	\$891,456	\$885,000
Amount Paid by City to Waste Management	\$269,362	\$266,651	\$251,869	\$235,714	\$227,332
Amount per Ton Paid to Waste Management	\$70.97	\$68.22	\$68.22	\$66.63	\$65.09
Monthly Base Rate:					
Residential Inside	\$10.00	\$9.00	\$9.00	\$8.50	\$8.50
Residential Outside	14.00	13.00	13.00	12.50	12.50

Commercial/Industrial (dumpsters) \$5 per cubic yard, plus \$5 stop charge

In addition to a flat fee, customers must also purchase trash bags from the City, which sell for \$1.00 or \$1.50 each. Customers are also charged a monthly fee for landfill monitoring that varies for type of customer and size of commercial dumpster.

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Change in Fund Net Position.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$414,234	\$411,384	\$386,024	\$366,097	\$342,334
182,801	190,085	194,305	207,471	203,805
<u>271,437</u>	<u>267,688</u>	<u>254,313</u>	<u>287,938</u>	<u>267,579</u>
<u>\$868,472</u>	<u>\$869,157</u>	<u>\$834,642</u>	<u>\$861,506</u>	<u>\$813,718</u>
<u>\$239,428</u>	<u>\$223,051</u>	<u>\$206,999</u>	<u>\$215,993</u>	<u>\$220,755</u>
\$65.09	\$61.99	\$59.15	\$55.09	\$53.55
\$8.50	\$8.50	\$8	\$7	\$7
12.50	12.50	12	11	11

City of Wapakoneta
Ratio of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Capital Loans	Loans	Capital Leases	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County
2016	\$0	\$0	\$88,298	\$0	\$0	\$6,295,000	\$0
2015	0	0	129,929	30,597	0	6,780,000	0
2014	0	11,870	169,967	59,192	0	7,250,000	0
2013	0	23,283	208,473	0	0	7,705,000	0
2012	225,000	34,257	245,506	0	0	8,130,000	1,250
2011	440,000	44,809	281,121	0	0	8,540,000	3,750
2010	750,428	54,955	315,374	0	23,300	8,940,000	6,250
2009	1,071,228	0	348,316	0	45,900	9,315,000	8,750
2008	1,397,951	0	0	0	67,900	9,655,196	11,250
2007	1,805,581	31,024	0	0	89,300	9,986,450	13,750

Source: City Records

(1) See S-41 for population and personal income. These ratios are calculated using population and personal income for the prior calendar year.

Business-Type Activities						
OWDA Loans	Capital Loans	Loans	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$18,694,562	\$0	\$223,932	\$489,455	\$25,791,247	\$2,638	11.80%
18,468,055	0	329,514	566,820	26,304,915	2,666	12.64
16,527,575	11,870	431,055	0	24,461,529	2,481	9.06
12,393,522	71,842	528,711	34,925	20,965,756	2,133	7.79
8,919,074	129,624	622,630	68,563	18,375,904	1,867	7.54
8,833,359	185,295	712,955	100,962	19,142,251	1,940	7.84
8,743,063	266,866	799,824	0	19,900,060	2,103	11.08
4,853,063	280,568	883,369	0	16,806,194	1,781	9.39
1,007	80,256	0	0	11,213,560	1,189	6.27
0	126,906	0	0	12,053,011	1,258	6.63

City of Wapakoneta
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2016	9,776	\$438,465,559	\$0	0.00%	\$0.00
2015	9,867	432,930,270	0	0.00	0.00
2014	9,861	432,047,307	0	0.00	0.00
2013	9,830	435,047,985	0	0.00	0.00
2012	9,843	433,492,344	225,000	0.05	22.86
2011	9,867	440,725,489	440,000	0.10	44.59
2010	9,464	439,389,903	773,728	0.18	81.75
2009	9,438	446,494,531	1,117,128	0.25	118.36
2008	9,432	477,567,757	1,465,851	0.31	155.41
2007	9,579	471,313,666	1,894,881	0.40	197.82

Source: City Records
Auglaize County Auditor
U.S. Census Bureau

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2016

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to City of Wapakoneta (1)</u>	<u>Amount Applicable to City of Wapakoneta</u>
City of Wapakoneta Loans	<u>\$88,298</u>	100.00%	<u>\$88,298</u>
Wapakoneta City School District	22,039,894	39.13	8,624,211
Apollo Career Center	<u>29,675,000</u>	6.66	<u>1,976,355</u>
Total Overlapping Debt	<u>51,714,894</u>		<u>10,600,566</u>
Total	<u><u>\$51,803,192</u></u>		<u><u>\$10,688,864</u></u>

Source: City Records
 Ohio Municipal Advisory Council

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Wapakoneta
 Computation of Legal Debt Margin
 Last Ten Years

	2016	2015	2014	2013
Total Assessed Valuation	<u>\$155,427,800</u>	<u>\$152,201,760</u>	<u>\$151,891,380</u>	<u>\$152,902,590</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	16,319,919	15,981,185	15,948,595	16,054,772
Gross Indebtedness	25,301,792	25,707,498	24,402,337	20,930,831
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	0
Mortgage Revenue Bonds	6,295,000	6,780,000	7,250,000	7,705,000
OWDA Loans	18,694,562	18,468,055	16,527,575	12,393,522
Capital Loans	0	0	11,870	71,842
Loans Payable	<u>223,932</u>	<u>329,514</u>	<u>431,055</u>	<u>528,711</u>
Net Indebtedness	88,298	129,929	181,837	231,756
Less Fund Balance in Debt Service Fund	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 10.5 Percent Limitation	<u>43,982</u>	<u>85,613</u>	<u>137,521</u>	<u>187,440</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$16,275,937</u>	<u>\$15,895,572</u>	<u>\$15,811,074</u>	<u>\$15,867,332</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	99.73%	99.46%	99.14%	98.83%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$8,548,529	\$8,371,097	\$8,354,026	\$8,409,642
Gross Indebtedness	25,301,792	25,707,498	24,402,337	20,930,831
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	0
Mortgage Revenue Bonds	6,295,000	6,780,000	7,250,000	7,705,000
OWDA Loans	18,694,562	18,468,055	16,527,575	12,393,522
Capital Loans	0	0	11,870	71,842
Loans Payable	<u>223,932</u>	<u>329,514</u>	<u>431,055</u>	<u>528,711</u>
Net Indebtedness	88,298	129,929	181,837	231,756
Less Fund Balance in Debt Service Fund	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 5.5 Percent Limitation	<u>43,982</u>	<u>85,613</u>	<u>137,521</u>	<u>187,440</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$8,504,547</u>	<u>\$8,285,484</u>	<u>\$8,216,505</u>	<u>\$8,222,202</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	99.49%	98.98%	98.35%	97.77%

Source: City Records

2012	2011	2010	2009	2008	2007
<u>\$151,979,280</u>	<u>\$154,502,190</u>	<u>\$154,310,590</u>	<u>\$157,185,780</u>	<u>\$148,055,772</u>	<u>\$151,729,644</u>
15,957,824	16,222,730	16,202,612	16,504,507	15,545,856	15,931,613
18,306,091	19,037,539	19,915,082	17,130,316	11,861,263	13,112,930
0	0	0	300,000	600,000	990,000
0	0	23,300	45,900	67,900	89,300
8,130,000	8,540,000	8,940,000	9,315,000	9,670,000	10,015,000
8,919,074	8,833,359	8,743,063	4,853,063	1,007	0
129,624	185,295	266,866	280,568	80,256	157,930
<u>622,630</u>	<u>712,955</u>	<u>799,824</u>	<u>883,369</u>	<u>0</u>	<u>0</u>
504,763	765,930	1,142,029	1,452,416	1,442,100	1,860,700
<u>144,972</u>	<u>245,212</u>	<u>467,448</u>	<u>539,473</u>	<u>609,729</u>	<u>520,071</u>
<u>359,791</u>	<u>520,718</u>	<u>674,581</u>	<u>912,943</u>	<u>832,371</u>	<u>1,340,629</u>
<u>\$15,598,033</u>	<u>\$15,702,012</u>	<u>\$15,528,031</u>	<u>\$15,591,564</u>	<u>\$14,713,485</u>	<u>\$14,590,984</u>
97.75%	96.79%	95.84%	94.47%	94.65%	91.59%
\$8,358,860	\$8,497,620	\$8,487,082	\$8,645,218	\$8,143,067	\$8,345,130
18,306,091	19,037,539	19,915,082	17,130,316	11,861,263	13,112,930
0	0	0	300,000	600,000	990,000
0	0	23,300	45,900	67,900	89,300
8,130,000	8,540,000	8,940,000	9,315,000	9,670,000	10,015,000
8,919,074	8,833,359	8,743,063	4,853,063	1,007	0
129,624	185,295	266,866	280,568	80,256	157,930
<u>622,630</u>	<u>712,955</u>	<u>799,824</u>	<u>883,369</u>	<u>0</u>	<u>0</u>
504,763	765,930	1,142,029	1,452,416	1,442,100	1,860,700
<u>144,972</u>	<u>245,212</u>	<u>467,448</u>	<u>539,473</u>	<u>609,729</u>	<u>520,071</u>
<u>359,791</u>	<u>520,718</u>	<u>674,581</u>	<u>912,943</u>	<u>832,371</u>	<u>1,340,629</u>
<u>\$7,999,069</u>	<u>\$7,976,902</u>	<u>\$7,812,501</u>	<u>\$7,732,275</u>	<u>\$7,310,696</u>	<u>\$7,004,501</u>
95.70%	93.87%	92.05%	89.44%	89.78%	83.94%

City of Wapakoneta
Pledged Revenue
Water Fund
Last Eight Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2016	\$2,014,208	\$1,308,594	\$705,614	\$167,545	\$315,824	\$483,369	1.46
2015	1,872,030	1,491,250	380,780	159,564	407,209	566,773	0.67
2014	1,833,207	1,099,767	733,440	107,093	414,804	521,897	1.41
2013	1,734,258	1,086,316	647,942	183,042	398,689	581,731	1.11
2012	1,613,831	1,010,596	603,235	136,798	431,735	568,533	1.06
2011	1,563,522	1,093,005	470,517	138,950	455,981	594,931	0.79
2010	1,621,188	720,759	900,429	0	1,188	1,188	757.94
2009	1,653,594	615,127	1,038,467	0	578	578	1,796.66

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds and OWDA loans.

Note: There was no debt for which there was pledged revenue prior to 2009.

City of Wapakoneta
Pledged Revenue
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2016	\$3,526,130	\$1,404,195	\$2,121,935	\$747,443	\$671,158	\$1,418,601	1.50
2015	3,320,572	1,433,053	1,887,519	684,787	621,478	1,306,265	1.44
2014	3,266,033	1,217,489	2,048,544	455,000	334,812	789,812	2.59
2013	3,138,652	1,371,493	1,767,159	447,787	354,140	801,927	2.20
2012	2,718,422	1,174,231	1,544,191	432,900	372,773	805,673	1.92
2011	2,418,291	1,315,509	1,102,782	422,900	390,909	813,809	1.36
2010	1,987,702	1,305,730	681,972	375,000	407,905	782,905	0.87
2009	1,803,106	1,936,809	(133,703)	355,000	423,123	778,123	(0.17)
2008	1,879,320	1,324,362	554,958	345,000	437,210	782,210	0.71
2007	1,961,301	1,176,047	785,254	335,000	450,788	785,788	1.00

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds and OWDA loans.

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City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate Auglaize County (5)</u>
2016	9,776	\$218,522,928	\$22,353	3,092	3.70%
2015	9,867	208,134,498	21,094	3,062	3.60
2014	9,861	270,122,373	27,393	3,144	3.50
2013	9,830	269,273,190	27,393	3,133	4.60
2012	9,843	243,673,308	24,756	3,062	4.80
2011	9,867	244,267,452	24,756	3,065	6.20
2010	9,464	179,588,864	18,976	3,036	8.20
2009	9,438	179,095,488	18,976	3,025	10.60
2008	9,432	178,981,632	18,976	3,025	6.80
2007	9,579	181,771,104	18,976	3,043	4.70

Source: (1) Chamber of Commerce and U.S. Census Bureau
(2) U.S. Census Bureau - Computation of per capita personal income multiplied by population.
(3) U.S. Census Bureau
(4) Wapakoneta City School District
(5) Ohio Bureau of Employment Services

City of Wapakoneta
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2016		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	406	1	7.15%
Wapakoneta City School District	Government	300	2	5.28
American Trim Limited	Metal Stamping	250	3	4.40
Wal-Mart Stores East LP	Retail Business	224	4	3.94
General Aluminum Manufacturing Company	Aluminum Manufacturing	196	5	3.45
Miller's Textile Services, Inc.	Uniform Rentals	190	6	3.35
GA Wintzer & Son Company	Manufacturing	122	7	2.15
Ametek, Inc.	Plastic Compounds	85	8	1.50
Golden Fresh Farms	Produce	84	9	1.48
City of Wapakoneta	Government	82	10	1.44
Koneta, Inc.	Rubber Truck Accessories Manufacturing			
Auglaize Provico	Agricultural Commodities Supplier			
Total		<u>1,939</u>		<u>34.14%</u>
Total Employment Within the City		<u>5,680</u>		

Source: City Records

2007		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
518	1	10.93%
310	2	6.54
235	4	4.96
240	3	5.06
164	7	3.46
125	9	2.64
102	10	2.15
130	8	2.74
218	5	4.60
<u>168</u>	6	<u>3.55</u>
<u>2,210</u>		<u>46.63%</u>
<u>4,739</u>		

City of Wapakoneta
 Full Time Equivalent City Government Employees by Program/Department
 Last Ten Years

Function/Program	2016	2015	2014	2013
General Government				
Mayor	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Security of Persons and Property				
Police	14.00	14.00	13.00	14.00
Police - Dispatchers	5.00	5.00	5.00	5.00
Police - Auxiliary	8.00	9.00	10.00	12.00
Fire	14.00	13.00	13.00	14.00
Fire - Auxiliary	3.00	8.00	10.00	10.00
Safety Director	1.00	1.00	1.00	1.00
Public Health				
Emergency Medical Services	0.00	2.00	6.00	6.00
Leisure Time Activities				
Recreation Director	1.00	1.00	1.00	1.00
Transportation				
Public Works	10.00	9.00	9.00	10.00
Basic Utility Services				
Engineering	3.00	3.00	3.00	3.00
Utility Clerks	4.00	4.00	4.00	4.00
Electric	10.00	10.00	10.00	11.00
Water	6.00	6.00	6.00	6.00
Sewer	5.00	4.00	4.00	4.00
Refuse	5.00	4.00	6.00	6.00
Total	<u>104.50</u>	<u>108.50</u>	<u>116.50</u>	<u>122.50</u>

Using 1.0 for each full-time employee and 0.50 for each part-time employee as of December 31.

Source: City Payroll Records

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
14.00	14.00	14.00	14.00	14.00	13.00
5.00	5.00	5.00	5.00	5.00	5.00
15.00	17.00	16.00	14.00	15.00	14.00
14.00	14.00	15.00	15.00	15.00	14.00
12.00	12.00	11.00	13.00	11.00	11.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	7.00	7.00	7.00	9.00	14.00
1.00	1.00	1.00	1.00	1.00	0.50
10.00	10.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	2.00
4.00	2.00	2.00	2.00	2.00	2.00
11.00	11.00	11.00	11.00	12.00	13.00
6.00	6.00	6.00	6.00	4.00	4.00
4.00	4.00	5.00	5.00	6.00	6.00
6.00	6.00	7.00	7.00	6.00	6.00
<u>127.50</u>	<u>128.50</u>	<u>129.50</u>	<u>129.50</u>	<u>129.50</u>	<u>131.00</u>

City of Wapakoneta
 Operating Indicators by Program/Department
 Last Ten Years

Function/Program	2016	2015	2014	2013
Security of Persons and Property-Police				
Vehicle Mileage	110,984	115,612	113,720	118,841
Number of Traffic Citations and Arrests	1,319	1,187	1,023	1,143
Number of Parking Tickets Issued	398	444	291	435
Dollar Amount Collected for Tickets	\$3,600	\$4,100	\$2,990	\$4,390
Security of Persons and Property-Fire				
Number of EMS Calls	1,308	1,159	1,283	1,260
Number of Fire Calls	242	300	39	21
Miscellaneous Calls	297	240	232	219
Transportation				
Number of Gallons of R-S-2 Used to Fill Potholes	2,510	2,655	0	0
Number of Pounds of Crack Sealer Used	0	0	0	0
General Government				
Income Tax				
Number of Individual Accounts	5,302	5,198	4,765	5,435
Number of Business Accounts	786	803	773	828
Number of Business Withholding Accounts	963	923	880	963
Total Receipts Collected	\$2,605,349	\$2,645,764	\$2,602,279	\$2,590,749
Amount of Interest and Penalties Charged	\$27,186	\$13,813	\$31,323	\$26,254
Amount of Interest and Penalties Collected	\$7,035	\$4,668	\$15,910	\$26,293
City Commission				
Number of Ordinances Passed	39	41	37	33
Number of Resolutions Passed	9	12	4	5
Electric Department				
Kilowatt Hours Used	194,987,050	203,673,910	205,979,185	197,323,034
City Cost of Power	\$12,990,723	\$12,379,952	\$12,656,390	\$12,223,007
Water Department				
Number of Wells Operating	6	6	7	7
Millions of Gallons of Finished Water	530.80	524.00	543.00	503.00
Chlorine Used (gallons)	16,458	16,556	17,649	15,275
Phosphate Used (gallons)	2,514	2,268	2,138	1,887
Salt in Tons (regenerates softening units)	2,297	2,056	1,861	1,693
Number of Gallons of Water Able to be Pumped a Day Combined	3,000,000	3,000,000	3,000,000	3,000,000
Daily Average Consumption (gallons)	1,450,035	1,437,000	1,450,000	1,400,000
Maximum Daily Capacity of Treatment Plant (gallons)	2,500,000	2,500,000	2,500,000	2,500,000
Sewer Department				
Number of Gallons of Sewage Treated (in millions)	851	1,068	1,063	1,101
Average Daily Flow (millions of gallons per day)	2.32	2.92	2.91	3.02
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Number of Tons of N-Viro Produced (fertilizer)	3,634	4,091	3,013	3,273
Refuse Department				
Number of Tons of Refuse Collected	3,795	3,832	3,692	3,621
Number of Trash Bags Sold (in cases of 250 bags)	960	988	1,080	1,018
Number of Tons of Recycling Collected	729	713	n/a	n/a
Number of Gallons of Used Motor Oil Collected and Recycled	2,055	1,700	3,000	4,600
Engineering				
Number of Registered Contractors	188	178	192	232
Number of Building Permits Issued	246	252	235	317

Source: City Records

2012	2011	2010	2009	2008	2007
116,181	107,529	118,129	104,347	100,909	105,005
797	961	1,092	1,008	1,239	1,316
369	340	489	478	474	457
\$3,690	\$3,400	\$4,630	\$4,390	\$4,650	\$4,410
1,249	1,074	1,016	928	1,009	966
17	38	41	41	41	34
214	229	240	201	246	186
0	0	2,200	5,250	5,320	2,750
0	0	2,000	4,000	4,730	4,928
4,996	4,740	4,713	4,837	4,805	4,697
862	827	804	820	805	790
947	925	879	907	856	854
\$2,280,139	\$2,271,225	\$2,244,992	\$2,163,600	\$2,419,511	\$2,286,433
\$26,912	\$35,654	\$29,401	\$22,951	\$19,780	\$6,119
\$8,504	\$25,571	\$11,130	\$14,998	\$6,604	\$9,392
54	62	46	45	53	63
11	11	9	13	6	7
186,176,513	180,959,049	182,091,811	170,099,880	191,475,666	201,810,771
\$11,076,435	\$11,968,304	\$12,224,095	\$11,750,318	\$12,619,613	\$13,490,659
7	10	7	7	7	7
519.00	537.00	532.00	523.52	576.70	559.13
14,695	15,799	14,362	13,667	17,424	14,497
2,035	1,755	2,961	2,190	2,649	3,154
1,571	1,296	1,448	1,420	2,150	2,253
2,500,000	2,700,000	2,700,000	2,700,000	2,000,000	2,000,000
1,350,000	1,470,000	1,579,000	1,576,000	1,576,000	1,530,000
2,500,000	2,560,000	2,722,000	2,722,000	2,722,000	2,722,000
1,013	1,332	911	822	1,281	1,242
2.76	3.66	2.49	2.25	3.50	3.40
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
4,775	3,830	3,152	3,762	4,460	4,242
3,680	3,680	4,119	3,575	3,849	4,169
935	962	757	855	966	903
831	816	1,077	1,017	1,305	1,376
2,900	2,900	2,900	5,300	5,600	4,800
225	240	239	253	287	245
254	233	213	194	264	223

City of Wapakoneta
 Capital Assets by Program/Department
 Last Ten Years

Function/Program	2016	2015	2014	2013
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	9	12	12	9
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	5	7	7	7
Trailer	0	1	1	1
Vehicles	4	4	3	3
Public Health				
Vehicles	3	3	3	3
Transportation				
Streets (miles)	46.37	46.37	46.37	46.20
Vehicles	20	22	22	22
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	103.37	103.37	103.37	103.37
Number of Substations	8	8	8	8
Vehicles	21	14	11	11
Water				
Water Lines (miles)	61.28	61.28	61.28	61.00
Number of Treatment Plants	2	2	2	2
Vehicles	8	9	9	9
Sewer				
Sanitary Sewer Lines (miles)	48.39	48.39	48.39	48.20
Storm Sewer Lines (miles)	28.19	28.19	28.19	27.93
Number of Treatment Plants	1	1	1	1
Vehicles	8	5	4	4
Refuse				
Vehicles	6	6	5	4
Recycling				
Vehicles	5	5	5	5
Engineering				
Vehicles	4	3	3	3

Source: City Records

2012	2011	2010	2009	2008	2007
1	1	1	1	1	1
11	11	10	8	8	8
1	1	1	1	1	1
7	7	5	6	6	6
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3
46.20	46.16	46.16	46.16	46.16	46.15
22	22	19	19	19	19
1	1	1	1	1	1
103.37	103.37	103.37	102.88	106.37	106.37
8	8	8	8	8	8
10	9	9	9	15	15
61.00	61.00	61.00	59.91	59.91	59.73
2	2	1	1	1	1
8	8	5	4	4	4
48.20	48.20	48.20	48.20	48.20	47.93
27.93	27.93	27.93	27.93	27.93	27.80
1	1	1	1	1	1
4	4	4	4	4	4
4	4	4	4	4	4
5	5	4	4	4	3
3	3	3	3	3	3

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Dave Yost • Auditor of State

CITY OF WAPAKONETA

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 17, 2017